

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Tuesday August 14 1984

D 8523 B

Complex lessons for Europe in U.S. recovery, Page 8

Alexander ... 12.00	London ... 12.00	Paris ... 12.00
Amsterdam ... 12.00	Lisbon ... 12.00	Rome ... 12.00
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Bombay ... 12.00	Mexico ... 12.00	Taiwan ... 12.00
Buenos Aires ... 12.00	Osaka ... 12.00	Thailand ... 12.00
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Singapore ... 12.00		
Taipei ... 12.00		
Tel Aviv ... 12.00		
Yokohama ... 12.00		

NEWS SUMMARY

GENERAL

Libya accused of mining Red Sea

Egypt's President Hosni Mubarak has for the first time directly accused Libya of laying mines in the Gulf of Suez and Red Sea which have at least 18 ships since July.

Both Libya and Iran last week denied involvement in laying the mines. Cairo has threatened to block passage of ships from any countries found to be involved in the mining.

Four British minesweepers are on their way from Cyprus to join the international operation in clearing the mines from the area. The latest known casualty in the Red Sea was a Soviet ship.

Lloyd's Shipping Intelligence reported an explosion on the Singapore-registered *Colin* in Basrah Khomani at the head of the Gulf. A mine was suspected. Page 3

Extremist gains

Extremist political groups hold the balance of power in the new Corsican regional assembly following Sunday's elections. Page 10

Tamilis killed

Fifteen Tamil separatist guerrillas died in two clashes with security forces in Sri Lanka's troubled northern province.

Diplomat to Moscow

Mr Salah Basyouni, Egypt's first ambassador to the Soviet Union in three years, will take up his post on August 30.

S Korean amnesty

More than 1,700 South Korean political prisoners and criminals will be freed or have their civil rights restored under a government amnesty.

Ortega attack

Sr Daniel Ortega, head of the Nicaraguan Government, described the sending of a U.S. naval task force to Central American waters as a "serious threat." Page 4

Botswana policy

Botswana is to reduce its dependence on South Africa and secure closer relations with other African countries, according to President Quett Masire. Page 3

Sikh conference

Leaders of the Sikh religion in the state of Punjab called a world conference of Sikhs to resolve the crisis in the community following the fighting in the Golden Temple in Amritsar.

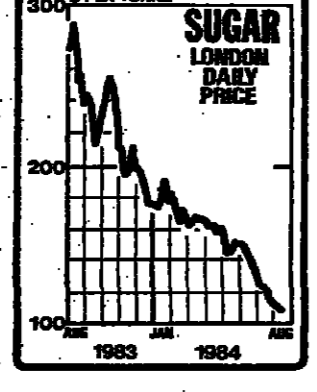
Curfew lifted

A dusk to dawn curfew in a run-down part of the city in Lawrence, Massachusetts has been lifted after a hull in fighting between Hispanic and French-Canadian communities.

BUSINESS

Akzo lifts half-year profits 128%

AKZO, Dutch chemicals and fibres group, raised net income by 128 per cent to fl 933m (\$120.4m) in the first half of 1984 on sales up 12 per cent to fl 8.3bn. Page 11



SUGAR: London daily raw price fell \$2 to \$107 a tonne, the lowest for 13 years. The December position ended \$2.5 down at \$122 on the London futures market with dealers attributing the fall to over-supply. Page 26

WALL STREET: The Dow Jones

industrial average closed up 1.99 at 1,220.08. Section III

LONDON equities and gilts

were lacklustre despite continued interest rate optimism. The FT Industrial Ordinary index fell 5.8 to 840.5. Section III

TOKYO stocks edged ahead

in slow trading with the Nikkei-Dow market indicator up 13.89 to 10,389.62. Section III

DOLLAR improved in London

to DM 2.914 (DM 2.8975), FFf 8.9425 (FFf 8.895), SwFr 2.45 (SwFr 2.441) and Y244.05 (Y242.35). On Bank of England figures, its trade-weighted index rose to 137.8 from 137.2. Page 29

STERLING fell 75 points

in London to \$1,305.5. It was also lower at DM 3.8075 (DM 3.81), FFf 11.825 (FFf 11.86) and SwFr 3.2 (SwFr 3.205) but was unchanged at Y318.5. Its trade-weighted index was also unchanged at 78.5. Page 29

GOLD fell \$3.75

to \$344.75. It finished at \$348.25 in Frankfurt and at \$342.75 in Zurich. Page 29

MANILA'S Central Bank governor

has estimated the country's international reserves at \$900m, down from \$890m at the end of last June. Page 3

CHINA has concluded an agreement

with Sharp Corporation, the Japanese producer of electrical appliances and business machines, to manufacture calculators. Page 4

SOUTH AFRICA: A gold mines union

representing black workers may hold a strike ballot. A two-month dispute has reached deadlock.

GENERAL MOTORS confirmed plans

to shake-up its 130,000 U.S. white collar work-force which would lead to "reasonable" layoffs. Page 11

BOOKER McCONNELL, British agriculture

and retail group, rejected Dea Corporation's \$25m (\$2.5m) offer for 18 supermarkets. Dea's contested £230m bid for all of Booker is under investigation by Britain's Monopolies and Mergers Commission. Lex, Page 10

K MART, the second largest retail chain

in the U.S., returned record second quarter earnings of \$144.4m. Page 11

ROTHMANS of Pall Mall (Australia)

lifted annual earnings 22 per cent to A\$38.5m despite a fall in its share of the cigarette market. Page 12

Production difficulties in London

may have resulted in typographical errors in unit trusts, some advertisements and elsewhere in today's edition.

Anglo-Irish relations tested by Belfast violence

BY MARGARET VAN HATTEM, POLITICAL CORRESPONDENT, IN LONDON

THE BRITISH and Irish Governments appear to be trying desperately to avoid being manipulated into a direct confrontation over the clash between the Royal Ulster Constabulary (RUC) and supporters of Sinn Fein, the political wing of the IRA, in Belfast on Sunday, in which man was killed and 20 others injured.

But tension mounted in Dublin and London as Mr Gerry Adams, the Sinn Fein leader, prepared to lead his supporters through the streets of Belfast last night in a "black flag" procession to honour the dead man, Mr Sean Downes, 22. Mr Adams was elected to the UK Parliament in 1983 but has never taken his seat.

As the RUC braced itself for another night of violence, Sir John Hermon, the chief constable, called for a full report on Sunday's events, including the unsuccessful RUC attempt to arrest Mr Martin Galvin, a director of Noraid, a U.S. support group for the IRA. Mr Downes was killed by a plastic bullet fired by police during the clash.

Sir John's action however, is unlikely to ease public pressure for a full independent inquiry. Sunday's events have demonstrated the ease with which Sinn Fein can provoke UK security forces into using methods which result in increased support for the republican cause while bringing the British and Irish Governments into conflict.

Members of both Governments appear to have been appalled by scenes on television which showed police vehicles driving straight into the crowds of republican supporters, and police apparently firing plastic bullets into the crowd at close range.

British ministers, though they were not involved in operational decisions taken by the local police force, nevertheless felt bound to give their full support. For it was London's recommendation that Mr Galvin be barred from the UK - an order which some recognise set the RUC an impossible task.

Both sides appeared yesterday to be wording their public comments cautiously in an attempt to keep the temperature down, but both seemed to fear that another night of violent rioting could take the situation beyond their control, forcing them into a rift which both are desperately anxious to avoid.

The chain of events was triggered by the decision of Mr Leon Brittan, the UK Home Secretary, to ban Mr Galvin. He was acting on the advice of Northern Ireland ministers who appear to have rejected pleas from the Dublin Government not to go ahead with the ban.

The British are understood to have asked the Irish Government to impose a similar ban. The Irish pointed out that this was impossible, since Mr Galvin has Irish citizenship, and are understood to have pointed out the difficulty of enforcing the UK ban.

The British Government, however, proceeded with the ban, providing the Sinn Fein leadership with an opportunity to taunt and provoke the police by displaying Mr Galvin on a public platform.

British ministers were suggesting yesterday that protests, demonstrations and rioting associated with the 13th anniversary of the introduction of internment without trial had put a heavy strain on police in Northern Ireland. Internment was ended in 1975.

Even if the situation can now be contained, the results of Sunday's events are likely to be extremely damaging to constitutional politics in the province.

The televised reports of the incidents shown on U.S. television are

Continued on Page 10

Zimbabwe misses IMF targets and deal collapses

BY MICHAEL HOLMAN IN LONDON

ZIMBABWE'S SDR 300m (\$305m) stand-by borrowing programme with the International Monetary Fund (IMF) has collapsed as a result of the Government's inability to meet all the programme's targets.

The collapse of the 18-month facility, which leaves SDR 125m undrawn, also ends the country's hopes for larger borrowings over a longer term under the IMF's extended fund facility.

The economy, hit by a three-year drought and low prices for its mineral exports, is already in severe difficulties. Real gross domestic product fell 3 per cent last year and a further drop of 3 per cent is forecast this year.

The external debt service ratio has risen from under 2 per cent of export earnings at independence in 1980 to over 30 per cent, foreign exchange allocations to industry are below pre-independence 1979 levels and inflation is running at over 20 per cent.

The agreement with the IMF was signed in March 1983, having been preceded by a 20 per cent devaluation of the Zimbabwe dollar, which was then allowed to float down a further 10 per cent.

Other conditions included curbs on short-term bank borrowing abroad, cuts in government food subsidies, wage controls, a slow-down in credit expansion and ceilings on budget deficits over the programme period.

Britain's industrial output falls 3%

By Max Wilkinson, Economics Correspondent, in London

BRITAIN'S industrial output fell by almost 3 per cent in the three months to June compared with the level in the first quarter of the year, according to official figures published yesterday.

This sharp fall mainly reflected the impact of the miners' strike on coal output. However, the output from manufacturing industry, which has been little affected by the strike, was also depressed in the three month period.

The rather gloomy picture suggested by these figures will reassure ministers' desire to engineer a fall in interest rates as soon as possible in the hope that this will help to restore industrial confidence and improve the present bleak outlook for unemployment.

The figures, from the Central Statistical Office, showed that manufacturing output was about 4 per cent lower in the second quarter of the year compared with the first quarter and only about 1 1/2 per cent higher than the average for last year.

These rather dismal results seem to be in line with the results of last month's survey of manufacturing industry by the Confederation of British Industry, the employers body, which showed a sharp drop in confidence by businessmen.

This survey, conducted at a time when a national dock strike had been called and interest rates were rising, showed that on balance companies were slightly less confident about business prospects. The previous quarterly survey by the CBI had shown rising confidence for a majority of about 25 per cent of firms interviewed.

However, the latest CBI survey did point to a continuing rise in orders and output which casts a puzzling light on yesterday's official figures. They showed that output in most sectors of industry was either sluggish or had fallen between the first and second quarters of the year.

Output from the consumer goods sectors was little changed at a level about the same as the average for last year. Output from the companies making goods for capital investment fell by about 4 per cent between the two quarters, to a level only 4 per cent above the average for last year.

Output from the companies making "intermediate goods" (mainly components and small machinery), however, fell by nearly 5 per cent between the two periods.

The figures, although not generally considered very reliable on a month to month basis, give little support to the Government's hope that the recovery is firmly rooted and is spreading from consumer based industries to an investment-led revival.

Retail figures, Page 6; Lex, Page 10

France spurs banks to trim interest rates

BY DAVID MARSH IN PARIS

FRANCE'S big nationalised banks last night announced a 1/4 percentage point cut in interest rates on loans as part of a round of government-induced measures to bring down credit costs and bolster the flagging economy.

Banque Nationale de Paris and Société Générale, two of France's big three banks, led the move to trim their base rates to 12 per cent from the 12 1/4 per cent ruling since January 1983. The new rates take effect from today.

Reagan slips on 'bombing' but avoids fallout

By Reginald Dale, U.S. Editor, in Washington

PRESIDENT RONALD Reagan found himself in political hot water yesterday after cracking what he thought was a harmless joke in the dubious privacy of a radio studio at his California ranch.

Asked for a voice check before his weekly radio broadcast on Saturday, Mr Reagan said: "My fellow Americans, I am pleased to tell you I have signed legislation to outlaw Russia forever. We begin bombing in five minutes."

The remark was intended as a light-hearted, off-the-air test run for his real address, which he began by announcing his signature of legislation allowing student religious groups to meet in public high schools during non-school hours.

His flippancy would have gone unnoticed had it not been for a mix-up in cable connections which relayed the remark by closed circuit to two communications organisations, CBS and Cable News Network (CNN), standing by at the western White House media headquarters in Santa Barbara.

As soon as the slip was realised, embarrassed White House officials quickly reminded the news networks of a 1982 agreement establishing that presidential pre-broadcast remarks were "off the record" and thus "not for use." Inevitably, however, by yesterday newspapers and news agencies had blown the gaffe.

The White House appeared to be worried that Mr Reagan's Democratic opponents would latch on to the incident as showing that he was not serious about the current chill in superpower relations - an issue on which numerous opinion polls have shown him to be politically vulnerable.

Mr Reagan, however, has shown himself capable of rising above such embarrassments in the past - and by yesterday afternoon there was still no sign that either the Democrats or the public in general was particularly outraged.

The 1982 agreement between the White House and the networks was established after Mr Reagan made a similar, though less potentially damaging, comment during an earlier microphone test, he referred to the leaders of Poland as "a bunch of no-good, lousy bums."

Mr Ed Turner, a vice president of CNN, which decided not to use the remark, said that it "was in the nature of a humorous comment that he thought would be private."

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Polish call for bigger private farms

BY LESLIE COLITT IN WARSAW

POLISH AGRICULTURAL experts have urged the government to encourage the development of larger family farms to overcome the country's endemic weakness in producing food.

ideological hard-liners. Prof Galaj said efficient larger farms would not need to hire workers and could thus not be accused of "exploitation."

In Europe, Prof Galaj said the average size of farms must increase to 50 hectares. A subsequent article in the weekly Polityka, which strongly advocates economic reform, said Poland could only feed itself properly and export food again by increasing the size of farm holdings by 3 per cent annually over the next 40 years.

avoid them being classed as kulaks." This disparaging term was applied to medium-sized farmers in the Soviet Union during pre-war collectivisation under Stalin.

AID TARGET OF \$170M SET FOR FIRST YEAR

Mini-Marshall Plan for farming gathers pace

BY CHRISTOPHER BOBINSKI IN WARSAW

AN IMAGINATIVE project to channel Western aid to Polish farmers appears at last to be getting off the ground. The organisers have tentatively set a target of \$170m (£129m) in aid for the first full year of operation which they hope will be 1986.

THE LAST of 11 important officials and advisers of the banned Solidarity union was released yesterday under the amnesty for political prisoners, writes Leslie Colitt.

though the government has hinted the change could be deduced. Mr Henryk Walec, a leader of the KOR movement which advised Solidarity, was freed yesterday and driven home by security officials.

some 80 per cent of Poland's farm land, have suffered from a lack of capital equipment since the war. The foundation's aim is to compensate for this neglect and to provide scarce pesticides, fertilisers and, for instance, tractors.

A foundation, initiated by the Roman Catholic Church here, has planned a budget of \$28m for a series of pilot schemes next year, designed to test the organisational structure of the project.

Of the \$28m budgeted for next year, the Roman Catholic Church in the U.S. has promised \$3m, the Canadian Catholic Church \$1m, while \$10m is being pledged from U.S. "public funds."

The money would be used to buy machinery, fertilisers and other agricultural goods which would then be sold, the organisers maintain, at marked-up prices to farmers and craftsmen ready to start businesses that would provide the agricultural services Polish farmers at present lack.

The project is also concerned with restoring to some degree the range of services available to farmers at present imperfectly provided by the unwieldy state monopolies. The foundation will sell equipment to craftsmen establishing repair shops, to small food processing plants or to small private businesses producing building materials.

The organisers' optimism stems from a series of trips to the United States and Western Europe over the past month to ensure that funds are committed.

This term, a euphemism for both state aid and aid from Western charitable foundations, is employed by the organisers to deflect harsher Communist Party criticism of the project.

The sharp increase in the death toll of terrorists in the last year — twice as many as died at the hands of Spanish police in the course of the three previous years — has reinforced the Ministry's conviction that ETA's firepower and morale, have been severely reduced.

In addition, with a new law on foundations recently approved by the Polish Parliament, and with discussions about the foundation's statutes nearly concluded, Professor Andrzej Stelechowski, the chairman of the organising committee, believes the remaining bureaucratic obstacles can be overcome.

Originally, it was suggested that a total of \$2bn would be required over a period of five years to make any substantial impact on Polish food production.

Private farmers, who work

The project is often described as a mini-Marshall Plan for Polish agriculture and the organisers now detect greater enthusiasm for it in the U.S. than in Western Europe, from

Basque terrorist suspect shot dead

By David White in Madrid

AN ALLEGED member of the Autonomos Anti-Capitalist Commandos, a Basque terrorist group, was killed in a shoot-out with Spanish Civil Guards early yesterday morning after apparently placing explosive charges in a Citroen car showroom at Lasarte, near San Sebastian. He was the eighth terrorist suspect to be killed by security forces this year.

The two bombs, which caused extensive damage when they went off minutes after the shooting, were the latest in a series of attacks against French interests in the Basque country.

They have increased in intensity since last week's verdict by a court in Pau recommending extradition of four Spanish Basques sought by Madrid for terrorist crimes.

The Autonomos Anti-Capitalist Commandos are a splinter group of the separatist Eta organisation and have carried out some of the most ruthless operations in the Basque conflict, including the murder of Senator Enrique Casca in San Sebastian.

Yesterday's incident followed the shooting last Wednesday of an alleged member of Eta's "politico-military" branch by Civil Guards escorting a convoy of police vehicles.

The sharp increase in the death toll of terrorists in the last year — twice as many as died at the hands of Spanish police in the course of the three previous years — has reinforced the Ministry's conviction that ETA's firepower and morale, have been severely reduced.

However, this success has been won at the expense of worsening friction between the Socialist Government in Madrid and the regional Basque administration.

Edmund Penning-Rowse reports on the vintages of the century

A bouquet for clarets



BEST CLARET VINTAGES

Table with 2 columns: Year, Vintage. Rows: 1920-1958, 1928-1961, 1929-1970, 1945-1978, 1953-1982.

THE FACTORS that create a top claret vintage are complex, but may not all coincide in a single year. They include a frost-free spring, a rapid flowering of the vine in mid-June, avoiding coulure, when the grapes do not set and millerandage, when the grape clusters do not swell.

After a fine July, the flavour is developed in a hot August, followed by moderate pre-vintage rain to swell the grapes. The picking should start by the fourth week of September and be over in a fortnight.

A leading vintage should keep well for, say, 20 years, and the result depends on the balance between natural fruitiness, tannin and acidity. Vintage starting dates are given here.

1920 (September 22) The first great vintage of the century. Wines deep in colour, with elegant bouquet and long, fruity flavour. Particularly successful in Pauillac, St Emilion and Pomerol. A bottle of Latour opened in Oxfordshire last month was in perfect condition: full-coloured and rounded in taste.

1928 (September 25) In spite of several good vintages in the 1920s, this was promptly acclaimed as the best since 1920. Yet it was very tannic, took many years to come round and was succeeded by the much more approachable 1928. Their comparative merits were contested for many years with the vigour usually reserved for adherents of different port vintages, but in my view the 1928s won. Nevertheless some very fine '28s were made, particularly in St Julien.

1929 (September 26) Softer, less tannic, but richer flavoured by 1928, it was easy to drink when young. Successful throughout the region, the leading wines were mostly at their best when 20 to 25 years old, although some lasted much longer. The best wine of the century until 1961.

1945 (September 13) After a disastrous early May frost, an exceptionally fine dry summer led to a very early vintage, which produced one of the smallest crops of the cen-

tury. Marked by strong tannin, the wines developed very slowly and in some cases the tannin won at the expense of the fruit. Yet leading Pauillacs and St Julien continue to be the essence of classic claret, in colour, bouquet and ripeness of flavour.

1953 (October 1) After a moderate summer, the late vintage was saved by a fine autumn. Beautifully soft wines, easy to drink after a few years in bottle, they lasted much better than expected, headed by such wines as Lafite and Margaux, but accompanied too by Montrose, Rothschild and La Mission-Haut-Brion. But the St-Emilions and Pomerols lacked acidity.

1959 (September 20) Hailed after a very hot summer as the first of all too many 'vintages of the century', these charming, delicious wines suffered from the lack of acidity that excessive heat may bring. So they have not kept as well as expected, but nevertheless, a very successful vintage.

1961 (September 22) After the driest summer for over ten years, severe coulure led to the smallest crop since the second world war. Seen at once as outstanding, and sold at what were then considered very high prices, these big, rich and concentrated wines were not excessively tannic, and were drinkable — and unfortunately drunk — very early. Some leading wines are not yet at their peak.

1976 (September 27) After a run of disappointing years, the 1976s were talked about as ideal harvest weather. This and an inflow or speculative money into wine led to vastly increased prices. Very deep in colour, rich in aroma and markedly full-bodied, they have taken longer to come round than expected, but have a size and balance that should sustain them for years.

1978 (October 9) The late harvest in splendid weather saved a crop that had fared all the pre-conditions of a fine year until mid-August, when a sequence of hot, almost rainless weeks followed. While the wines have yet to prove their quality and remain closed up, they appear to have the making of fine, big-bodied, fruity claret.

1982 (September 13) Contrary to 1978, nearly perfect weather conditions led to a very early vintage and a record red wine crop, immediately given a 'vintage of the century' label. Deep, dark coloured, high in alcohol, their 'sweetness' led to them being exceptionally agreeable to taste when young in cask. The torrid vintage-time weather led to some cooling problems in vats, while late-vintage rain caused variable results. Though some claim that there is low acidity, the general view regards 1982 as the best year since 1961, perhaps since 1929.

Tomorrow: The 10 greatest financial scandals

In the first of two articles, Ivo Dawney examines the formidable agricultural hurdles still to be cleared

Entry terms for Spain not yet plain

AN unprecedented number of EEC officials are still languishing in the Brussels Berlaymont building during the normally sacred August holidays. Once again, the word "crisis" has been heard. The alarm is being caused by the looming Christmas deadline for the completion of talks on the accession to the European Community of Spain.

a virtual freeze on existing arrangements during the first four years. But when the official Spanish proposals were presented to the Ten's Farm Minister in Brussels last month, Madrid's stance had changed. Now, it appears, Spain is seeking a general seven-year programme, including a heavily regulated quota system for the sale of potentially damaging EEC produce into the Spanish market.

crucial, high earning citrus crop. Sr Fernando Moran, Spain's Foreign Minister, explained after the proposals were rejected outright that Spain had felt obliged to retreat from the Luxembourg concessions due to the Community's tough line and its failure to present proposals on the key wine and olive oil sectors.

farm lobby has also become more vociferous. Sr Julio de Miguel, the powerful voice of Valencia's orange exporters, has vigorously challenged Madrid's apparent acceptance of an only gradual reduction in the Ten's tariff barriers against Spanish citrus, which offers continued preferential treatment to Israel and Morocco.

assurances that their grossly underdeveloped dairy and meat produce industry will not be swamped by cheaper higher quality sales from North of the Pyrenees.

appears to be opting for a 10-year transition during which Community prices would be gradually reduced and Spain's increased—a solution which, if approved by Ministers, looks plausible enough to have encouraged Lesieur, the French company, to have risked investing heavily in the Spanish market.

The EEC expands



Optimism sours in WGermany

By Jonathan Carr in Bonn

ONLY ABOUT one West German in 10 expects living standards to improve over the next decade — a major change from the optimism about the economic future shown in the 1960s.

According to a new poll from the Allensbach opinion research institute, 37 per cent of those questioned felt most Germans would actually be poorer in the early 1990s than they are now.

Another 34 per cent believed living standards could just about be maintained — while nearly 20 per cent said they were unable to form a judgment.

Although German youth is often said to be even less positive about the future than its parents, this does not emerge from the poll's findings. Marginally more young people (between the ages of 18 and 30) than old expect a generally richer population in the next decade.

Voters for the Greens party of ecologists and pacifists, however, are particularly pessimistic. They expect well over half the population to be worse off in the 1990s.

Commenting on these results, Allensbach says they show a sense of realism and a readiness to adapt to changing economic circumstances on the part of most Germans.

"There is not a trace of a trend to revolution," the institute notes. Despite that analysis, it is also felt that the Germans may now be underestimating their economic and financial prospects — just as they tended to over-estimate them in the 1960s.

All of these securities have been sold, this announcement appears as a matter of record only.

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Postipankki
Société Générale
The Taiyo Kobe Bank (Luxembourg) S.A.

Inflation rate falls to 3.1% in Netherlands

By Walter Ellis in Amsterdam

DUTCH INFLATION fell to an annual rate of 3.1 per cent in the 12 months to mid-July, according to the Economics Ministry in the Hague. The rate for the year to mid-June was 2.6 per cent. The official cost of living index stood at 119.8 a month ago, from a base of 100 in 1980.

In the early spring, inflation rose to 3.9 per cent following a 1 per cent rise in the rate of value added tax and an increase in import costs. But, as the effect of a sharp rise in prices in the second half of last year gradually drops out of the calculations, inflation could ease further before building up again slightly after the autumn.

Growth of the Dutch economy this year is expected to touch 2 per cent. Tax cuts already fore-shadowed by the Government, together with cuts in social welfare premiums, should encourage a growth in consumer spending.

Intrusions into Swedish waters continue

By David Brown in Stockholm

FOREIGN "underwater intrusions" into Swedish territorial waters have continued throughout this summer, General Lennart Ljung, Commander of the Swedish Armed Forces, said yesterday.

About 100 sightings have been recorded since the end of May, when the Swedish navy called off its hunt for a submarine near the naval base of Karlskrona after failing to force it to the surface. The sightings amount to about one a day during the period.

Anti-submarine preparedness had been stepped up through an intensive programme, incorporating manoeuvres, new equipment and training, but "we need to improve our capabilities quickly," Ljung said.

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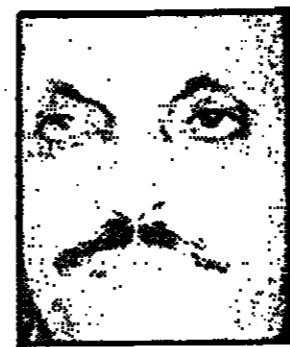
OVERSEAS NEWS

Simon Henderson, recently in Washington, explains the concern over reports of Chinese involvement Why Pakistan may not need to test a nuclear device

THE FIRST world knew of India's ability to produce a nuclear explosion was when a device was detonated in 1974. Israel's nuclear capabilities have been assumed over the years, with a test, south Africa may or may not have tested a nuclear bomb over the southern Indian ocean in 1979. By contrast, Pakistan's efforts in the nuclear field have taken place in the full glare of publicity, ever since it emerged in 1979 that a Pakistani scientist, Dr Abdul Qader Khan, had stolen secrets about uranium enrichment technology from a research plant in the Netherlands.

Since about 1982 official Pakistani denial that it is attempting to build a bomb have worn thin as reports have trickled in of the country's attempts illicitly to acquire sensitive material. Only recently it was announced that the U.S. Customs had confiscated a shipment to Pakistan of electronic switches suitable for use in a nuclear weapon, and Democratic Senator Alan Cranston has warned that China was supplying Pakistan with nuclear material. Despite the publicity and the measures taken by Western countries to stop the export of sensitive technology, Pakistan's nuclear bomb programme has apparently progressed steadily. The three spheres there have been increasing collaboration on nuclear matters between Pakistan and China, breaching internationally accepted notions of proliferation.

THE INDIAN NAVY is acquiring sophisticated submarines and an electronic surveillance system because of new arms purchases by Pakistan and growing big power rivalry in the Indian Ocean. Mr S. B. Chavan, Defence Minister, said yesterday, AP reports from New Delhi.



President Zia

Mr Chavan declined to give Parliament details of the naval modernisation plan but said more surface and subsurface vessels and aircraft for maritime reconnaissance were being bought. Nuclear Science and Technology (Pinstech) was also facing problems. Anxieties grew again when it was discovered that Pakistan had developed its own precision engineering capability in Karachi where it could make spheres and curved steel plates. Also it became clear that China was beginning to provide direct assistance in the military nuclear programme. In February 1983, a U.S. official told a Congressional committee that the Central Intelligence Agency had definite proof that talks had taken place between China

and Pakistan on nuclear weapons manufacture. Chinese officials are known to work at the secret Kahuta plant. In June officials in Washington said that China had handed over the design of the bomb tested in its fourth nuclear explosion. A further surprise was when Dr A. Q. Khan, the scientist who stole the enrichment secrets, gave an interview to a local newspaper saying that Pakistan had broken the monopoly of Western countries on enriching uranium. More ominously he also said: "If, in the interests of the country's solidarity, the President of Pakistan were in extreme need and gave the team of scientists an important mission it would not disappoint the nation." Although some Administration officials dismiss this as bragging, the claim of being able to enrich uranium was repeated earlier this month by President Zia-ul-Haq himself. There has also been an unconfirmed report that China has handed over to Pakistan a quantity of highly enriched uranium, a material suitable for use as a nuclear explosive. China's motives for the extent of its collaboration with Pakistan are puzzling since its actions put at risk a nuclear co-operation agreement with the U.S. While Washington re-assesses Peking's attitude to proliferation, the U.S.-China nuclear accord, which had formed the centrepiece of President Reagan's visit to China earlier this year, has been frozen. What worries some officials is that Pakistan might have crossed all the red lines. If it does have highly enriched uranium, and if the Chinese handed over full details of a bomb, then Pakistan might not even feel it necessary to test any device that it assembles.

Botswana to reduce dependence on S. Africa

By Jim Jones in Johannesburg

Botswana is to reduce its dependence on South Africa and forge closer links with its Black African neighbours, President Quett Masire told a meeting in the capital Gaborone. Beginning his country's general election campaign, President Masire said it was planned to build a railway to the Namibian coast and to link the electrical grid with that of neighbouring Zambia and Zimbabwe.

Projects of this kind would reduce Botswana's dependence on South Africa and strengthen economic relations with the country's Southern African Development Co-ordination Conference partners.

The president reiterated his Government's determination that Botswana would not allow its territory to be used to launch attacks on neighbouring States.

Botswana would continue to co-operate with its neighbours on matters of mutual security, he added.

The general election, to be held on September 8, will be contested by six political parties. At present, the ruling Botswana Democratic Party holds 29 of the 34 constituencies represented in Parliament, and is widely expected to win the election.

Other parties contesting the election in what is generally accepted as one of Africa's few multi-party States are the Botswana National Front, the Botswana Progressive Union, the Botswana People's Union, the Botswana Independence Party and the Botswana Labour Party.

Five rebels killed in Sri Lanka clash

COLOMBO — Five guerrillas were killed during a 45-minute battle between separatist rebels and police in Sri Lanka's troubled northern province yesterday.

Mr Lallith Athulathmudall, National Security Minister, reported the incident on Saturday near Mannar, the site of a 10-day offensive by guerrillas fighting for a separate State for the minority Tamils.

This brings the official death toll in violence between the separatists and the security forces since August 4 to 65 — including 13 casualties among the police and army. Unofficial reports put the death toll much higher.

Mr Athulathmudall said a group of guerrillas had attacked a police station at Kayts, a small island off the northern Jaffna peninsula, with guns and bombs.

The Government was investigating whether guerrillas who blew up a military vehicle on Saturday near Mannar, the north-western coast, killing five soldiers, had had any foreign assistance.

"The fact that the detonation device was very large and very sophisticated is suggestive of assistance from abroad," the Minister denied charges that police had been responsible for a bomb blast at another police station.

In Madras, about 1,000 students joined the U.S. consulate during a march protesting against Sri Lankan army action against Tamil separatists. The students chanted slogans accusing the U.S. of backing the Sri Lankan Government.

Mervyn de Silva adds from Colombo: The former Premier and Opposition leader, Mrs Sirimavo Bandaranaike, yesterday called for a dissolution of parliament and a general election to meet the "urgent need for a negotiated settlement to the ethnic problem."

The all-party conference set up to solve the problem was no substitute for a parliament that has ended its term, outlived its usefulness and relevance, and no longer represented the people, she said.

Philippines reserves 'at unsafe level'

Mr Jose Fernandez, governor of the Philippines central bank, yesterday said that the country's foreign currency reserves had fallen to an "unsafe" level of \$800m (£460m), down from \$890m at the end of June and equivalent to less than two months' worth of imports, Leo Gonzalez reports from Manila. Export performance, led by semi-conductors, coconut oil, garments and furniture, had improved in the first six months of the year by 5 per cent, he added, whereas imports had been cut by about 20 per cent.

Mubarak puts blame on Libya for laying mines in Red sea

By Tony Walker in Cairo

PRESIDENT Hosni Mubarak, the Egyptian leader yesterday directly blamed Libya for laying the mines in the Gulf of Suez and Red Sea which have hit at least 18 ships.

President Mubarak said however, that the Egyptian Navy had not yet found any mines so as to confirm its suspicions.

Egypt and its allies are scouring the Gulf of Suez for explosive devices in an effort to establish which country or organisation might be responsible. Egypt has made it clear it suspects both Libya and Iran and late last week it was disclosed that Cairo had warned Tehran that if it was responsible, Iranian ships would be stopped from using the canal.

Both Iran and Libya have vigorously denied involvement. President Mubarak said yesterday: "I hope we find nothing against them (Iran). We are trying to solve the problem of the Iran-Iraq war so I hope the Iranians did not indulge in such a bad and aggressive act."

Commenting on claims by the Islamic Jihad (holy war) organisation that it had laid 190 mines in the region, Mr Mubarak said: "They can say what they want. We have to believe what we are convinced of." A cellular claiming to speak for Islamic Jihad yesterday called a Beirut newswire claiming responsibility for the mines and denying that Iran or Libya was involved. Meanwhile, Western military officials in Cairo have been explaining how the international force of naval vessels now gathering in the Gulf of Suez and the Red Sea will operate. The force is not to be regarded as multinational and each of the contributors will operate independently under a co-ordinating committee in Cairo.

Soviet ship hit

A SOVIET vessel has been damaged by a mine at the southern end of the Red Sea, the 16th merchant vessel to be hit by a string of mysterious explosions in the area, Lloyd's shipping intelligence said yesterday, Reuters reports.

It said the 633-ton fish carrier Bastion hit the mine on August 6, but the extent of the damage was not yet known. Another Soviet vessel was in the area and available for assistance if required, it said in a statement.

Lloyd's added that an Egyptian destroyer searching for mines reported an explosion at the southern end of the Gulf of Suez last Saturday, but a spokesman said it was not clear whether the destroyer itself had been hit by the blast.

At present, Britain and the U.S. are represented on the committee which is headed by an Egyptian defence official. British mine-hunters expected in the Gulf of Suez tomorrow will have responsibility for the northern section, while the U.S. will deploy its mine-clearing helicopters and back-up vessels in the south.

At this stage there is no plan for the British vessels to extend their activities to the Red Sea. Reuter adds from Akrotiri, Cyprus: The official Saudi Press Agency yesterday quoted a Defence Ministry official as saying the kingdom had invited three U.S. helicopters and two French minesweepers to search its waters.

Gaddafi at Sahara summit talks

By Our Foreign Staff

KING HASSAN of Morocco yesterday met Col Muammer Gaddafi, the Libyan leader, for talks apparently aimed at ending the war in the Western Sahara and amid speculation that they would be joined by President Chadli Benjedid of Algeria.

There was no official confirmation that Mr Benjedid would join them at the Moroccan-Algerian border town of Oujda. They met near Oujda in February, 1983, for talks which went some way to reducing tensions between Algeria and Rabat and resulted in an increase in the flow of goods and people between the two countries.

Libya's own relations with Morocco improved at the beginning of this year when Col Gaddafi withdrew support from Polisario guerrillas fighting Morocco in the Western Sahara. Mr Ahmed Reda Guedira, King Hassan's principle adviser, visited Libya and also had talks with King Fahd of Saudi Arabia which he long sought to mediate between Morocco and Algeria.

Algeria has not in any way lessened its commitment to Polisario. Earlier this year the fighting appeared to have subsided but statements issued from Algiers indicate that it has intensified since about mid-June.

Lebanon talks off LEBANON'S "national unity" government cancelled an extraordinary session scheduled for today in which ministers were to discuss the Israeli occupation of Southern Lebanon. Prime Minister Rashid Karami said, Reuter reports from Beirut.

Anti-Arab rabbi disrupts Knesset swearing-in

By David Lennon in Tel Aviv

ISRAEL'S NEW Knesset (parliament) was sworn in yesterday following last month's general election. But with no party having won an overall majority, negotiations are continuing between the 15 elected parties in an effort to form a government.

The swearing in ceremony was disrupted by Rabbi Meir Kahane of the Kach Party,

which advocates driving all Arabs out of Israel and the occupied territories. Determined to use the Knesset to attract attention, Rabbi Kahane tried to add quotations from the Bible to the acceptance of the loyalty oath. Prevented from doing so by the Speaker, he accepted the oath.

Some 2,000 people demonstrated outside the Knesset yesterday against the Kach leader, whose election has raised a storm in Israel.

The Justice Minister has asked the Attorney General to prepare a Bill designed to prevent Rabbi Kahane using his parliamentary immunity specifically against the country's Arab residents.

Mr Shimon Peres, leader of the Labour Party, the largest in the House, has spent a week trying to form a coalition. Discussions with the right-wing Likud bloc, the second largest, on joining together in a national unity Government have made little progress. The House adjourned without any decision on when it will be reconvened.

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AMERICAN NEWS

Mondale switches attack to Reagan defence policies

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

MR WALTER MONDALE, the Democratic presidential challenger, has switched the main thrust of his attack on the White House to President Ronald Reagan's defence policies...

Polls give boost to Canada's opposition

BLINDERS BY the Liberal Party's new prime minister, Mr John Turner, have given the opposition Conservatives a strong lead in Canada's general election campaign.

After years in the political wilderness, the Conservatives, led by Quebec native Mr Brian Mulroney, seem to be heading for a smashing victory over the ruling Liberals on September 4.

President Stroessner completes 30 years in power Paraguay's strongman under fire

BY MARTIN ANDERSEN IN ASUNCION

SEVENTY-TWO-YEAR-OLD Paraguayan strongman Alfredo Stroessner, known by his position as the 'Last Latin American tyrannusaurus', completes 30 years in power this week firmly in control but buffeted by environmental changes which, in another context, brought his prehistoric namesake to extinction.



Sr Stroessner—fighting back

President Stroessner's biggest enemy appears to be the actuarial tables, local analysts and foreign diplomats here agree, however he is also facing the presence of an emboldened and increasingly well-organised opposition and a regional democratic tide lapping at the shore of this landlocked country of more than 5m.

The generalisation, used to running the country with an iron hand, finds himself hectoring by the powerful Catholic Church which wants him to seek a disjunct with an opposition he loathes the more so in recent months the Right-wing Caudillo has also found himself the target of fire from an unexpected quarter.

The black market offers a colourful contrast to an increasingly ailing traditional economy. During the 1970s Paraguay led Latin America with annual per capita increases sometimes greater than 10 per cent.

Ortega condemns U.S. naval task force

By Tim Cooney in Managua

THE RESENDING of a U.S. naval task force to Central America waters has been described by Sr Daniel Ortega, the head of the Nicaraguan government, as a "serious threat."

The task force consists of the missile-equipped battleship USS Iowa, a destroyer, a frigate and two other ships carrying 2,100 Marines.

Over the past two years the U.S. has established a permanent military presence in Honduras and built up a military infrastructure capable of serving as a base for a U.S. military intervention in the region.

Coca-Cola anti-trust inquiry under way

BY OUR NEW YORK STAFF

A U.S. federal grand jury is investigating possible violations of anti-trust laws over the last two years by two major U.S. soft drink manufacturers, Dr Pepper and Coca-Cola.

World Airways cuts fare

WORLD AIRWAYS, the U.S. airline which flies between Gatwick and Washington, is cutting its fares by 10 per cent on the route from London to New York.

Nicaragua 'sent arms to Salvador guerrillas'

BY DAVID GARDNER IN MEXICO CITY

THE SANDINISTA Government in Nicaragua this year resumed shipments of small quantities of arms to left wing insurgents in El Salvador, according to Latin American diplomats.

down these supply lines had been taken to clear the way for negotiations with the U.S., and not because the Sandinistas had been intimidated by U.S. support for "Contra" groups fighting to topple them, the diplomats say.

The diplomats were unable to specify the routes used for the weapons supplies, or whether the shipments had now ceased.

Unattributable paid adverts have appeared in the Panamanian, Costa Rican and Venezuelan Press over the past week supporting Sr Tomas Regalado, the Interior Minister, as an alternative Sandinista presidential candidate to Sr Ortega for the November elections.

WORLD TRADE NEWS

Tokyo Round code on government purchases disappoints U.S.

BY NANCY DUNNE IN WASHINGTON

THE INTERNATIONAL agreement on government procurement one of six non-tariff barrier codes resulting from the Tokyo Round of trade negotiations, is not providing the business opportunities once envisaged, according to a recent report issued to Congress by the General Accounting Office (GAO).

Chinese to make Sharp calculators

Sharp Corporation, a leading Japanese producer of electronic calculators, has concluded a contract with the Chinese Government for supplying parts and technology for producing electronic calculators, a company official said.

David Gardner reports on a move to replace trade marks with generic labelling How Mexico has upset the drug majors

A MEXICAN Government decree to regulate the pharmaceutical industry and attempt to reduce dependence on imported raw materials has touched off a wave of protests from the multinational drug companies operating here.

At least they paid off the bank shareholders. They're getting us for free," fumed one, who described the decree as a clear signal that Mexico doesn't really want private enterprise, still less foreign investment.



Sr de la Madrid: commitment to a mixed economy

imports of Mexican goods before applying countervailing duties against them.

Dr de Maria y Campos also claims that the patents on 67 of the 70 active ingredients he wants to see made in Mexico have either expired or are due to expire soon, and that many of the companies objecting to the decree are already involved in the bulk, generic market in the U.S.

Espadrille dumping claim

BY IVO DAWNAY IN BRUSSELS

ESPADRILLES, the low cost, rope-soled shoes much loved on Europe's beaches, are the latest product underlining an inquiry by the EEC's tireless anti-dumping investigators.

Tunisian LPG contract

Combustion Engineering said two subsidiaries, Lomuzum Crest Sarril of Paris and C. E. Randall of Houston, have been awarded a contract worth more than \$20m to design and build a liquefied petroleum gas recovery plant in the El Borma field of Tunisia, AP-DJ reports from Stamford, Conn.

The multinational drug companies have enlisted the services of the U.S. Administration in their cause in a row which threatens the future of a bilateral trade treaty Mexico is seeking with Washington.

Fourteen multinationals have sought injunctions against the decree, while Upjohn of the U.S. has won a Mexican court ruling declaring the measure unconstitutional. Four leading companies — Hoechst, ICI, Burroughs Wellcome and Glaxo — say they have made no preparations for this month's switch to generic labelling.

Iraqi hospital deal

Voest Alpine Medizintechnik (Vamec), a subsidiary of Voest Alpine the Austrian State-owned steel and engineering group, has won a \$20m (\$30m) contract to build and equip eight hospitals in Iraq, Patrick Blum reports from Vienna.

Greek tourism income recovers

BY ANDRIANA HERODIACONOU IN ATHENS

THE GREEK tourist industry, which has been going through a slump since 1981, showed a significant recovery in the first six months of 1984, compared with the first stage in the return to former bank-shareholders of 339 companies effectively nationalised when the private banks which owned them were expropriated in September, 1982.

Danish electric car hopes

BY HILARY BARNES IN COPENHAGEN

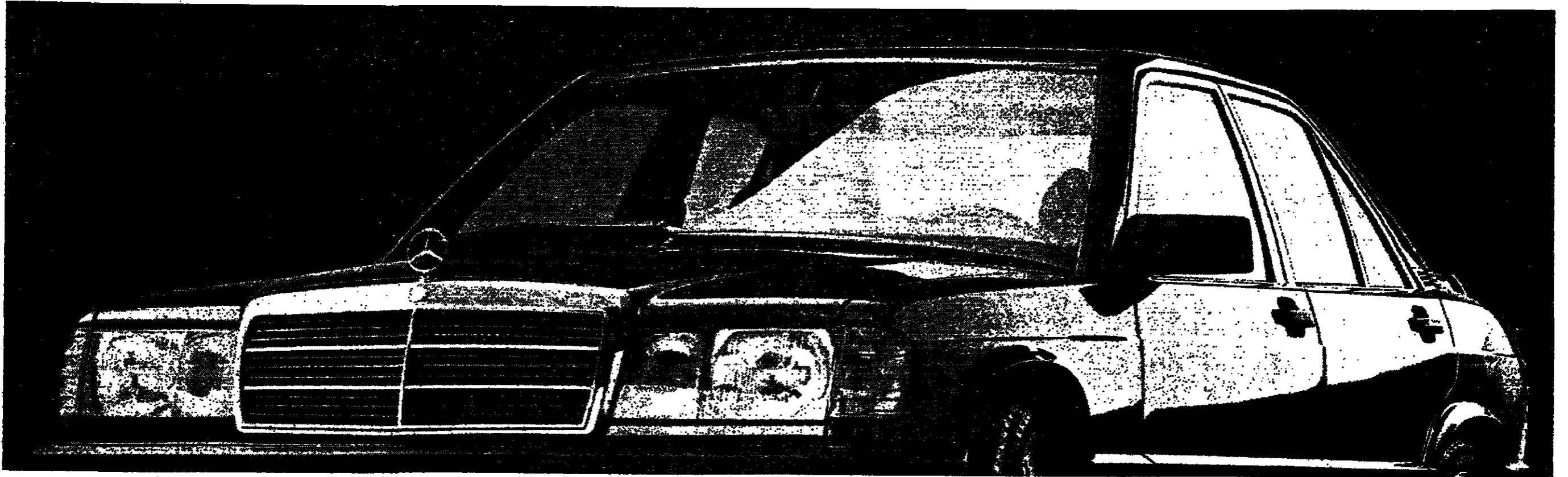
AN AMBITIOUS project by a Jutland company, Høje Motor, to manufacture electric cars for sale in the U.S. looks considerably less hopeful after the company's supervisory board cast a cool eye over the project at a weekend meeting.

Steel for N. Sea

Nippon Kokan has received an order from Total Oil Marine, a British subsidiary of CFP, a French oil group, for 5,000 tonnes of steel plates to be used for the North Alwyn Platform B, 100 miles east of the Shetland Islands, AP-DJ reports from Tokyo.

Indonesia tanker order

Indonesia's state oil company, Pertamina, has signed contracts with four Indonesian companies for the procurement of four 85,000 deadweight tonnes tankers, a Pertamina spokesman said, Reuters reports from Jakarta. He said all four tankers would be built by Japanese shipyards and are expected to be delivered within 18 months.



1983: Another Year of Growth and Development.

The Daimler-Benz balance sheet for 1983 shows, as in previous years, satisfactory results.

Worldwide sales rose by more than DM 1 billion to more than DM 40 billion. We thus maintained the upward trend of past years.

With a growth rate of more than 12 per cent, passenger cars accounted for the lion's share of the sales increase. The S-class models set a new record, thus emphasizing our leadership in the field of sophisticated automobiles.

The 190: New Market Potential.

The 190 class has been a success right from the beginning. Production limitations restricted the number of 190's available during the start-up period as demand outstripped supply. This was also true in the case of our other two passenger car model lines.

One especially encouraging aspect of the 1983 passenger car year was the large number of new owners attracted to Mercedes by the dynamic 190

series. We view the enormous positive response created by this series - which includes the brand-new 190 E 2.3-16 - as an important base for future growth.

Full-Line Producer of Commercial Vehicles.

By way of contrast, the commercial vehicle sector had to contend with deteriorating market conditions. Even the strong upswing in the German domestic market failed to compensate for the decline in export sales, particularly to the Near and Middle East. Despite this, Daimler-Benz was the only manufacturer of commercial vehicles able to avoid layoffs and short-time work in 1983. With a product line featuring our new light trucks, which range from 6.5 to 11 tons GVW, we expect to continue our leadership.

Daimler-Benz is the world's largest manufacturer of trucks over 6 tons GVW, and our product line, backed by our research and development work, our production technology and our sales organization, is

expected to keep us in a competitive position in the international marketplace.

Continued Growth With New Ideas.

Our 1983 balance sheet is not only an account of positive development, but is also an expression of foresight and provision for the future.

During the past year we invested DM 3.5 billion in product development and manufacturing facilities. We spent another DM 1.5 billion on research and development with an eye toward further improvement of our position as a technologically sophisticated auto manufacturer.

Although our industry is facing major challenges, these will not impair the future prospects for the motor car. This is particularly true for Mercedes-Benz vehicles, which have almost 100 years of tradition behind them.

We view our 1983 balance sheet as an important milestone on our road to the future.



TECHNOLOGY

HUMBLER ROLE FOR REASONING COMPUTERS

Dearth of experts slows expert system growth

BY ALAN CANE

DR ALAN KAY, a founder of the Xerox Palo Alto Research Center now with Apple Computer, tells a story which illustrates corporate attitudes to risk in high technology.

"I told an executive at Xerox about the great system we were building and I topped off the discussion by saying the project was risky and had only a 20 per cent chance of success: 'We're taking risks, just like you wanted.' The executive looked at me and said, 'Boy, that's great; just make sure it works.'"

It helps to explain why over 180 experimental expert system projects have been documented in the U.S. and the UK, yet fewer than 20 have achieved routine, real application.

Tim Johnson, formerly with Logica, the computing services company and now running his own consultancy, Ovum, sums it up in a new and very comprehensive report: "The lack of major systems which have achieved operational status could be used to dismiss the claims of expert systems to represent a major innovation in computer technology."

"But in fact it can be described to the elapsed time and man years needed to bring a major system to fruition, combined with the shortage of people who have the appropriate skills and experience."

He goes on: "The benefit which can be foreseen from using a major expert system must be large or it will not be worth developing in the current state of the technology. Given the uncertainty of the development costs, and the risks of total failure, a project which has to be justified by detailed cost analysis is probably not worthwhile."

Expert systems are generally regarded as a new kind of computing development. In essence, they combine a store of knowledge with software techniques which make it possible to make logical deductions and inferences (an inference engine) from that knowledge coupled to more software which the human operator can use to ask questions and receive answers.

Mr Johnson defines them as: "Computer systems which emulate human expertise by making deductions from given information using the rules of logical inference."

What has become understood over the past few months is that an expert system need not be large to be useful: "Most of the expert systems which have shown the first real commercial returns are (the) less glamorous areas," Mr Johnson notes: "They could be called 'technician' instead of expert systems because they supplement or substitute for the brain-power and experience of skilled technical staff rather than highly trained professionals."

Mr Johnson identifies XCON, built by Digital Equipment Corporation, as the leading expert system in regular operation with over 2000 rules defining how the stored information is handled.

XCON was built to help the company decide the size and configuration of its VAX mini-computer range for specific applications—a notoriously difficult and error-prone task.

The use of XCON allowed the same team of engineers to handle a greatly increased flow of orders and reduced the proportion of configuration errors in delivered systems from 35 per cent to 2 per cent. It is now used for 97 per cent of all VAX configurations.

Mr Johnson believes that tasks such as those handled by XCON, or planning the repair of telephone cables or helping people to use complex software are the best immediate prospects for expert systems.

Computer programmers, for example, are generally reckoned to produce at best 2,000 lines of debugged and tested code a year.

Programmers working in artificial intelligence languages like LISP can produce 100,000 lines a year, a massive increase in productivity.

But the development of these systems will be limited by the number of human experts available.

Mr Johnson's study suggests there are some 700 people with knowledge engineering expertise in the U.S. and 125 in the UK. These numbers, he forecasts, will grow to about 6,000 and 850 respectively by 1990.

On the basis of these numbers he suggests that the total spend on expert systems equipment and development in 1984 was



Dr Alan Kay: "Just make sure it works"

\$138m in the U.S., \$13m in the UK; in 1990 it will be \$2.2bn in the U.S., \$204m in the UK.

Professor Randi Davis of the artificial intelligence laboratory at MIT has observed: "Building expert systems is an art and the artists are few and far between. Some kinds of expert systems are turned out as classroom exercises, but like all classroom exercises there is a long distance between an exercise and a commercial product. Turning out commercial products is currently a significant undertaking."

Mr Johnson suggests: "Research and venture capital investments are not expected to grow very sharply; figures of \$90m and \$40m are estimated for the U.S. and UK respectively for the late 1980s - given the shortage of human skills an excessive expenditure on research and new start-ups could slow down the pace of real applications rather than speeding them up."

"The best opportunities for venture capital will be in operations which have assembled a strong base of knowledge engineering skills and have an orientation to real applications."

Quoted in *The AI Business*, Winston and Prendergast, eds, MIT Press 1984, £12.95.

***The Commercial Application of Expert Systems Technology*, Tim Johnson, Ovum, 1984, 285pp in the UK, \$395 U.S.

ELECTRONICS

Switch is 'controlled by nerve impulse'

By Hilary Barnes

A Swedish-born inventor now resident in Aalborg, Jutland, has developed an electronic communications device which promises to open up new opportunities for communication with and by severely handicapped people.

The device also has a potentially wide range of industrial control applications.

Mr Lars Aakke Sjoberg says that he has solved the problem of designing a device which can be activated with the help of the tiny electrical signals which are emitted by the nerves which control human muscle movements.

This means that the switching device can be activated at a distance of up to 15 centimetres without actually having to be touched. A timing device ensures that the switch is not activated by involuntary movements.

Mr Sjoberg calls his device a CIF (Control Interface) switch.

In addition to activation by synapse (nerve-end) transmissions it can also be activated by an individual's voice without reacting to other sounds or voices in the vicinity, and it goes almost without saying that it can be activated by more conventional methods, such as touch, pull and release, light and temperature changes.

The CIF switch can be used to activate any electrical equipment, such as lights, radio and television, alarms, computers, and so on.

Mr Sjoberg has set up a company, Synaps Electronic, to exploit the CIF switch, which he is building into a range of equipment for the handicapped, such as a light board for games.

Synaps transmissions function through the use of aluminium foil as the sensor which picks up the signal from nerve message transmissions. The signal is then magnified by the CIF switch to emit a signal which can be used to activate the switch.

Mr Sjoberg believes that he is the first to have succeeded in inventing a device which is sensitive enough to pick up synapse transmission signals.

Address: Synaps Electronic, Stormgade 12, Aalborg, Denmark (telephone 099 45 8 11 to 11).

The 'Shadow Board' adds humanware to hardware

A recent television campaign promoting a small business computer depicts board meetings in two contrasting companies.

One is formal and old-fashioned. The chairman asks a "what-if" question and gets an apologetic answer: "I'm afraid I'll have to go back to the mainframe on that one, sir."

The other is informal and dynamic—the directors are on first-name terms. Again the chairman asks a "what-if" question, but this time the information is supplied immediately by typing a simple command into a computer on the board-room table. While the director of the first company is frantically leafing through piles of computer printout, the second company makes a successful takeover bid for the first company. Game, set and match to the small computer.

If business were as ludicrously simple as this implies, most company directors would be grossly overpaid.

Fortunately, life is more interesting than that. Strategic planning is not an off-the-cuff matter. A business opportunity more than a small proportion of the necessary information required stored on their computer.

The advertisement deliberately confuses the issue. In order to sell small computers, it creates the impression that large computers (mainframes) are incapable of providing information in time. But because a microcomputer has far less power and capacity than a large mainframe, its data accessing capabilities are likely to be limited in quantity and sophistication.

A young and inexperienced manager may answer a difficult question off the top of his head, but an older and wiser colleague takes time to consider it is not too far-fetched to compare the difference between a microcomputer and a mainframe with the difference between a young, bright but inexperienced man and an older, thoughtful and careful one.

In the early days of commercial computing, programming was a chaotic activity. By the 1970s, standard procedures had been introduced into most data processing departments in order to remove this chaos.

These procedures laid down methods or methodologies for building computer systems. It was as a result of these procedures that it became possible to build complex and reasonably reliable computer systems.

Unfortunately, these procedures tend to make it very difficult to obtain quick answers to ad hoc requests for information.

So it is a great temptation for managers to try to bypass the DP department altogether. A personal computer, with access to the central database and with an easy-to-use query facility, seems to allow the manager to get the information

executive, not only on demand but also according to his own perception of the executive's needs.

The scheme has required heavy commitment from both sides; it was made clear that the secondment was to be full-time. It was foreseen that the information adviser would have time on his hands; this was not to be taken up by other duties. The intention was to encourage the advisers to anticipate the information needs of their respective bosses. Some of them have been developing forecasting models, others have discovered from their new viewpoint certain inadequacies in the existing computer systems and have set about getting it too early to evaluate the success of this scheme. The long-term benefits are expected to include an improved perception of management information requirements within the DP department. Furthermore, the long-term success of the decisions made according to the improved information supply cannot yet be judged. What is certain at this stage is that a manager and an expert systems analyst, working in tandem, can produce much more useful information than either of them alone. It remains to be seen whether this is enough to justify the cost of the scheme.

An unexpected development, after the scheme had been running for a month or so, is that the information advisers have started to hold regular meetings among themselves. They jokingly call themselves the Shadow Board, but a more accurate analogy would be with the committee of senior civil servants in Whitehall, in which many suggestions soon emerged as to improved ways of communicating between departments of the company. This has been applied mainly, but not exclusively, to computer-based data. The members of the management team are encouraged and assisted by their advisors to share information amongst themselves. The advisors have also been able to make policy recommendations to the Data Processing Manager and are working towards a long-term information strategy.

RICHARD VERRYARD, The author is a consultant with Data Logic Education.

he wants, when he wants it, without having to wait months for a special program to be written.

If the manager uses a desk-top microcomputer to provide his information formulating his needs in the simple terminology of the system software, he is doing work that would otherwise have required a systems analyst, to define the information requirement, and a programmer, to translate the requirement into computer-readable form. What training does he have for this work? Training in the query language may only need a short demonstration of the system by an expert, since there will probably be a user manual or some other form of help when he gets stuck. But what training does a manager receive in information analysis? Almost certainly none at all. For simple inquiries, this will not create any problems, but where the information structure is at all complex, the lack of training may cause the manager to overlook important aspects of the problem. Furthermore, he will probably not even realise that he is one of his staff.

One large industrial company has started an ambitious experiment in management information. Each senior executive has been assigned an "information adviser" who is a systems analyst on full-time secondment. (The intention is to rotate these analysts every six months or return them to normal DP projects. An overlap of two weeks is thought to be sufficient to provide continuity.) The adviser's job is to supply all information to the

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Memories

Rodime, Convergent disk pact

Britain's leading exponent of the disk store, Rodime of Fife in Scotland, has signed a major contract with a U.S. company—Convergent Technologies of California—is buying \$5.5m of the model 202E over an 18-month period.

The model 202E is a high performance 3.5 inch Winchester design with 33 megabytes of formatted capacity. Convergent Technologies will incorporate the drives into its Mini-Frame Unix-based minicomputer providing up to eight terminals at low cost.

Rodime is also the only disk drive maker in volume production with a 3.5 inch drive and has shipped 50,000 units to date. More on 0522 774704.

Networking

Avis links Euro offices

AVIS RENT-A-CAR is installing a data network linking reservation and rental offices throughout Europe, using the Xyner Plan 2000 local area network. The project is worth about £700,000 and will be managed by Care Software of Reading.

The project involves the automation of 37 locations, mainly at airports, which between them account for about 80 per cent of Avis's business in Europe.

At each rental desk there are between one and eight IBM PCs forming a Plan 2000 network, sharing a 10 megabyte hard disk—an overall total of 111 PCs. These are networked to a mainframe IBM machine in each country, linked by cables to the Avis headquarters in New York.

UK NEWS

Further ruling sought over pit union's assets

BY JOHN LLOYD, INDUSTRIAL EDITOR

PRICE WATERHOUSE, the City of London accountants appointed to sequester funds of the South Wales area of the National Union of Mineworkers (NUM) is to return to the High Court on Thursday to seek further authority to deduct fines and costs from the union's assets which are now wholly frozen.

The sequestrators have written to all other NUM areas, asking for details of money and other assets which they may be holding on the South Wales area's behalf, and warning them that if they attempt to transfer these or other funds to assist the areas, they could be open to contempt of court.

South Wales NUM leaders are to meet the other area leaders to discuss the position now that they have no usable funds. The NUM areas also intend to ignore the court's ruling, following the lead of the South Wales area.

The sequestrators are likely to deduct at least the £50,000 fine awarded against the area by the High Court on July 30. This was for breaking orders restraining them from interfering with lorries belonging to two Gloucestershire hauliers.

The hauliers may, however, also press for further fines for contempt; the NUM has kept up picketing of Port Talbot and Llanwern steel plants.

Leaders of the major transport unions—the Transport and General Workers (TGWU), the National Union of Railwaysmen, the train drivers' union ASLEF and the National Union of Seamen—last night pledged they would follow the South Wales area's example and ignore any court action brought against them.

The haulage company has threatened to take out a writ against the TGWU because its members have blocked its lorries in Cardiff docks.

More violence occurred yesterday as thousands of pickets tried to stop miners going to work. The main trouble spots were around Warsop colliery in Nottinghamshire and the showpiece Bilston Glen pit, near Edinburgh, where striking miners clashed with police.

The coal board yesterday blamed the miners' strike for an underground fire in the Yorkshire coalfield which rested in the loss of a coalface and £3m worth of equipment.

Militant areas unshaken by miners' drift back to work

BY OUR LABOUR STAFF

ABOUT 8,000 of Britain's 181,000 miners have returned to work since April/May, according to estimates from area officials of the National Coal Board (NCB). These suggest that roughly 48,000 are now at work, and 133,000—73 per cent—on strike.

This does not mean, however, that the "drift back to work" strategy has so far yielded the results that the National Coal Board and the Government wish to see.

The military areas have not yet crumbled, though 87 miners have gone back in Scotland and opponents of the strike are proposing to attempt a return-to-work at three Yorkshire pits on September 3.

Nationally, the week-by-week "drift back" figures remain modest. By last Friday 860 former strikers had returned since early July. When yesterday's figures are collated the figure will rise above 700: 28 "new faces" appeared at Bilston Glen in Scotland, and 30 at the North Derbyshire pits of Shirebrook and Warsop.

The figures in the table are approximate numbers calculated by the Financial Times, based on estimates by area officials of the NCB. They exclude the period in March when the Nottingham colliery stopped work during a ballot, and the Lanes and Staffs areas called a week-long

THE DRIFT BACK TO WORK

Working miners*	Apr/May	
	25,000	28,500
Nottinghamshire	8,500	9,500
Leicestershire, S. Derby	2,000	5,600
Warwickshire	1,900	2,200
Staffordshire	400	800
Lancashire	450	450
N. Derbyshire	700	180
N. Wales	NI	90
Scotland	NI	NI
Kent	NI	NI
North-East	NI	NI
South-East	NI	NI
Yorkshire	NI	NI
Total	39,950	47,700

* Approximate figures based on conversations with National Coal Board and officials. Some figures are disputed by the NUM. † Pit being run down because of geological problems

strike in an attempt to win a national ballot.

The National Union of Mineworkers (NUM) disputes many of the figures. Mr Arthur Scargill, NUM president, said yesterday that the strike remained solid and that 80 per cent of miners were not working.

Scotland, with 10,500 miners, is now seen by the NCB—and by some in the NUM leadership—as the area where the greatest pressure for a return to work is being exerted.

The focus of the back-to-work movement is Bilston Glen, the area's biggest pit, and the one where mineworkers continued to cross picket lines in substantial numbers for several days after the other left-hand areas of Yorkshire, South Wales, the North East and Kent had enforced a solid strike.

However, if Bilston Glen is the thin end of the Scottish wedge, it is opening very slowly indeed. In mid-June, some seven men turned up for work, a figure which rose to 23 in the two weeks before the July holidays began.

They mount undercover operations, watching, tracking and stalking the terrorists, gathering information and finding out what they are planning.

street corner and military vehicles on constant patrol have gone. The army has gone underground.

Only in West Belfast and South Armagh are regular army units still in the front line.

In 1975, the SAS, the crack secret commando unit was sent into South Armagh following a spate of killings in what became known as the "murder triangle." The level of killings was soon reduced.

Today, the SAS is said to have about 100 men operating in all parts of the province. The main role of the army is supporting the police.

They have become targets to be picked off by the IRA in their off-duty hours while living openly in the community.

Ulster's 'liberating army' still active after 15 years

BY OUR LONDON STAFF

FIFTEEN YEARS ago today the first British troops were deployed on the streets of Northern Ireland at the start of the current troubles.

At 5pm on August 14, 1969, 400 men of The Prince of Wales own Yorkshire regiment marched into the heart of Londonderry. The next day, 800 men of the Third Battalion, Light Infantry, entered West Belfast with fixed bayonets.

They were sent in by Mr Harold Wilson, the then Prime Minister and Mr James Callaghan, Home Secretary at the request of the Northern Ireland Government.

Two days of fighting in the Republican district of the Bogside in Londonderry had left the Royal Ulster Constabulary exhausted. A Northern Ireland Government had

on civil rights marches and the decision to allow the Loyalist Apprentice Boys to march through the city had finally tipped the province over the brink.

At first, the soldiers were welcomed by the Northern Ireland Catholics. They were perceived as a liberating army who would protect them from Protestant mobs and inflict defeat on the Unionist Government.

Everyone was assured the troops would soon be sent home. They were only in for a brief period, to restore stability.

Fifteen years and nearly 2,500 deaths later, the army is still in Northern Ireland and as the violence continues, there is little indication or hope that they will not

still be there in another 15 years. It has long been forgotten that it was Loyalist forces which necessitated the presence of the army in Ulster. It was Loyalists who carried out the first bombings, wounded the first soldiers and killed the first policemen.

The first major gun battle was between the army and Loyalists in Belfast.

Then things changed. The IRA reappeared and, with its inherent hatred of all things British, turned the tables.

To Catholics, soldiers quickly became the enemy, the oppressor, and to Protestants, the defender.

The military fight became one of defending the Unionist majority's demand for the right to rule them-

Pace of shop spending slows

By Max Wilkinson and Lisa Wood

SHOP SPENDING fell in July, according to official figures out yesterday, and retailers believe that the recent rise in mortgage interest rates may depress sales for the rest of the summer.

Figures from the Department of Trade and Industry showed a provisional estimate for the volume of retail sales in July at 110.7 (1980 = 100), a fall of 1/4 per cent from the June figure.

For the three months to July taken together, however, the average sales volume was 1 per cent higher than in the previous three months, and 4 per cent higher than in the same period a year ago.

There are also indications that the pace of increase of consumer credit may be starting to decelerate. The United Association for the Protection of Credit reported yesterday, however, that the number of applications for credit in July rose by 5 per cent, partly as a result of the summer sales.

Most economic forecasters, believe that a slowing down in the growth of consumer spending will be fairly gradual, and there is little sign of alarm in the retailing business itself about the prospects up to Christmas.

The Retail Consortium, which represents about 90 per cent of retailers, said: "Most traders are reasonably happy with the volume and value figures for July." While some consumer confidence had been eroded by higher mortgage rates it believed that the fall impact might be more fully reflected in August and September if mortgage rates did not fall.

The miners strike had not badly affected mail order traders because they tended to offer longer credit periods than department stores. Clearance sales at many department stores helped boost earnings. The John Lewis Partnership said that turnover in the second week of July reached a record £14.5m in a month which is traditionally second only to Christmas in earnings. In the half year to July 28 the group said that turnover was up 4.4 per cent on the same period last year.

Video recorders were among the strongest performers in July.

Lex, Page 18

Howard Doris wins £12m contract for production system

BY IAN HARGREAVES

HOWARD DORIS's oilrig yard at Kishorn in the west of Scotland yesterday announced its first major order for 18 months when British Petroleum (BP) awarded it a £12m contract to modify the Buchan Field's floating oil production system.

Howard Doris said the order could create up to 300 jobs. At present the yard employs only 150 men in the UK. It is its core workforce of around 120.

BP and its partners plan to spend over £3m in an attempt to extract a further 9m barrels of crude oil from Buchan.

This will be achieved by installing a gas-lift system, whereby gas will be pumped into the tubing below the well-head, reducing the density of the oil and permitting greater production at a fixed level of pressure.

Buchan, which was discovered in 1974 and started producing in 1981, has been plagued by problems with its production platform, which is a converted semi-submersible rig.

The platform has not performed as well as expected, especially in rough winter conditions.

The platform will be taken out of service in early October and moved from its position 154 km north of Aberdeen to Loch Kishorn. Six

months later, it is hoped to have the platform back in production.

In addition to the Howard Doris contract to install and connect the gas-lift system, £1m will be spent on equipment, towing, design and management fees. Matthew Hall will be responsible for the design work.

According to independent estimates by stockbrokers Wood Mackenzie, Buchan's production peaked last year at an average 32,000 b/d and is likely to fall to 25,000 b/d this year.

BP's partners in Buchan are Transworld Petroleum, Sulpetro, Mitro Oil and Gas, Clyde Petroleum (each with 12.1 per cent), Texaco (9.24 per cent), Tricontinent (5.76), Goal Petroleum (4.54), Charterhall Oil (4.54) and Lochail Exploration (0.9). BP holds 24.58 per cent.

The Arts appear on Page 18

Massey seeks cut in tractor workforce

BY PETER BRUCE

MASSEY-FERGUSON, the Canadian-owned farm equipment and diesel engine group, called yesterday for voluntary redundancies from its 5,000-strong workforce in Coventry as a result of an unexpected decline in world tractor markets.

In a statement to the workforce at Coventry—the world headquarters of Massey's tractors and farm equipment division—the company said tractor sales had fallen by 12 per cent this year against a forecast of only 6 per cent.

Massey has not specified the number of redundancies, but a group spokesman said 200 was likely.

The group is the West's biggest tractor maker. It is likely that its 1984 sales projections were upset by the reforms earlier this year to the EEC Common Agricultural Policy. These aimed at cutting milk production and lowering cereal prices.

In May this year, the first month after the EEC decision, UK tractor registrations dropped by 29 per cent. In West Germany farm industry analysts are forecasting a 21 per cent drop in tractor sales, while total sales in France, where Massey produces tractors specifically for the European market, are expected to drop by up to 7 per cent this year.

Is the scene painfully familiar? Do you have to write late-night reports for your colleagues when you should be reading bedtime stories to your children?

Or are you forced to make an early start, grab a sandwich for lunch and cart home a bulging briefcase?

In any event, nobody could doubt your commitment. But your efficiency, now that's an entirely different matter.

Hewlett-Packard's files are chock-full of case histories which disclose that the average British businessman, despite his complete dedication, is somewhat less than efficient.

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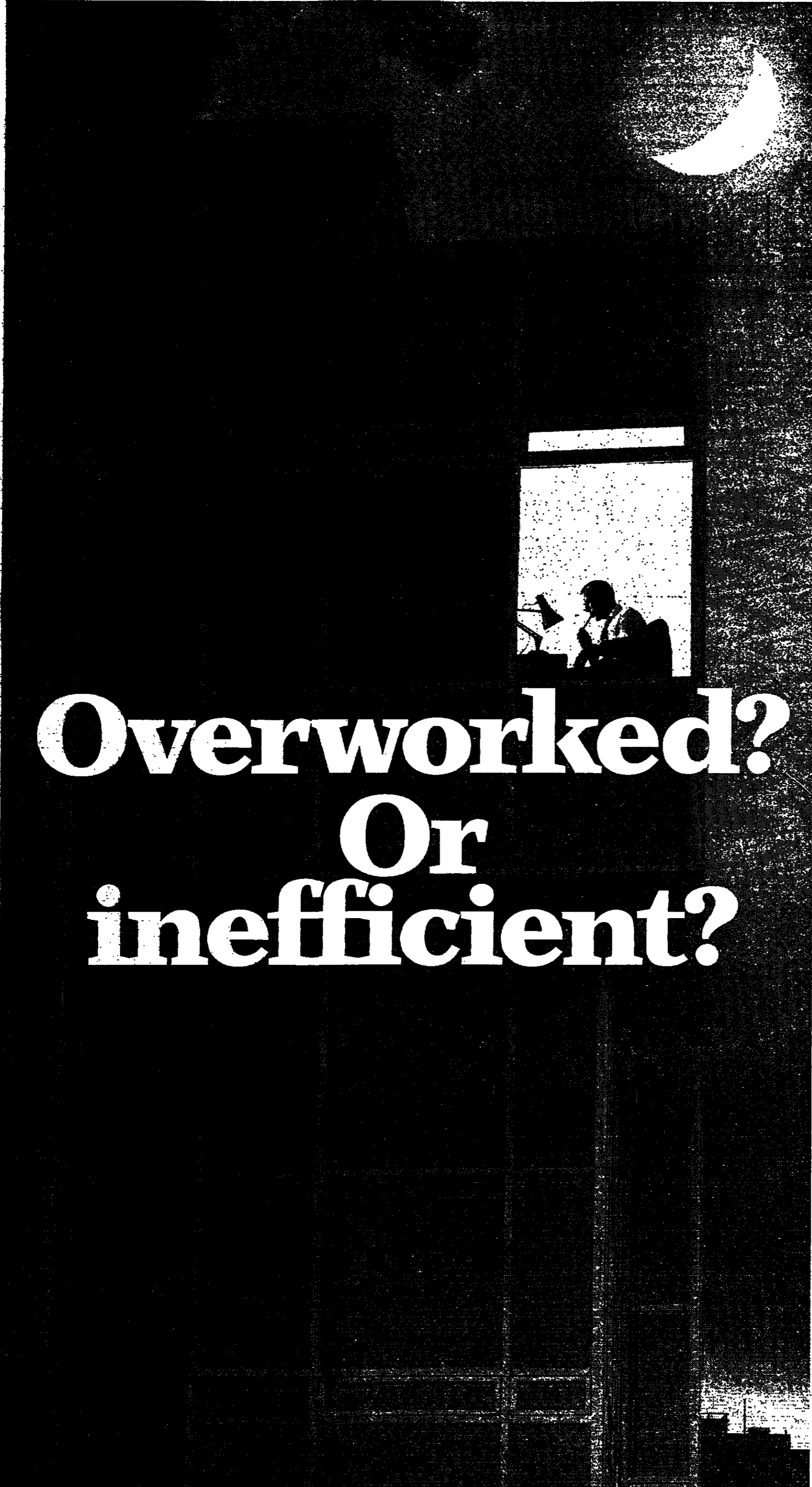
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Tuesday August 14 1984

Warning shot from Bonn

HERR Martin Bangeman, the West German economics minister, last week declared his government "would not tolerate" further U.S. attempts to restrict Western technology transfer to the Soviet bloc.

He went on to warn that Bonn, if necessary, would pass a law prohibiting its companies from complying with extra-territorial U.S. controls, just as the UK, under its 1989 Protection of Trading Interests Act, gave the British firm of John Brown legal shelter against President Reagan's order two years ago designed to restrict the Soviet Union for the Siberian gas pipeline.

What does this blast — from a country which is arguably America's key ally and certainly the Soviet bloc's most significant technology supplier — portend? The summit of trans-Atlantic trade relations had seemed to lighten considerably with last month's agreement by the 15 members of the Co-ordinating Committee, West Germany and the U.S. among them, on updated strategic controls in the most important area: computers and telecommunications. Does Herr Bangeman know something that the rest of us do not?

Not really, Herr Bangeman is of course out to make a mark in his new job. West Germany is also particularly susceptible to U.S. re-export controls, in view of both the scale of its trade with the East and its dependence on U.S.-made or designed components, which as the Bonn technology ministry stressed in a recent report, is especially high in computers and electronics.

Message

But, more important, the West German Minister has reminded us that proposed U.S. national control legislation, still under discussion in Capitol Hill, makes future disputes as likely as ever. Herr Bangeman's message to Washington seems to be: we would prefer to have most of your bidding in agreeing new alliance-wide controls in CoCom — have faith in these controls, and do not jeopardise the new spirit of co-operation by imposing new curbs on trade with us, your partners.

In the congratulatory backslapping about a new CoCom agreement, it has been easy to

Labour disputes and the law

HOW CAN British industrial relations be improved? Many observers, particularly outside the UK, will regard a bitter miners' strike in its fifth month, involving violence on a scale almost unprecedented in recent years, as proof that the "British disease" is still virulent. In spite of two Employment Acts and a Trade Union Act, Britain might appear to be sinking back into the industrial militancy of the 1970s.

Such pessimism is not the whole story. The Electrical, Electronic, Telecommunications and Plumbing Union (EETPU) has recently negotiated a series of quite un-British agreements with high-technology companies which have infuriated left-wing trade unions. They appear to embody a genuine willingness to substitute co-operation and conciliation for old-fashioned confrontation. The aim is to avoid strikes by agreeing to stock to detailed procedures to settle disputes peacefully, with arbitration the last resort.

Legal immunities

The Institute of Directors, under the new leadership of Sir John Hoskyns, formerly an adviser to Mrs Thatcher, regards these new deals as grounds for hope. In a discussion paper, "Settling Disputes Peacefully", it suggests that trade unions that fail to abide by "rules of procedure" (rules governing bargaining and disputes) should forfeit their legal immunities. In other words, the types of agreement voluntarily negotiated by the EETPU should become legally binding in all industries.

The trades union legislation so far introduced by two Thatcher administrations does not address directly an endemic failing in British industry: lack of respect for orderly procedures for the settling of disputes. The IoD proposals fill this gap, but may seem too ambitious. The Government's aim is to make legal immunities conditional on the observance of agreed dispute procedures only in essential services — and it has held back

DURING THE past few years almost the whole of Europe has embraced the economic philosophy pioneered by Mrs Margaret Thatcher. One after another, European governments have repudiated "the conventional post-war wisdom that unemployment was a consequence of inadequate economic growth and that growth was to be secured by microeconomic policy," as Mr Nigel Lawson, the British Chancellor, recently described the "simple fallacy" which used to form the corner-stone of economic decision-making throughout the world.

Instead, a new Conventional Wisdom has gained acceptance, again defined by Mr Lawson in his thoughtful Mait Lecture in June. It is that macro-economic measures, on budget deficits and monetary growth rates, should be directed "unambiguously" to the "conquest of inflation, not the pursuit of growth and employment." Jobs and production, meanwhile, are to be fostered through changes in the micro-economic environment, with policies on competition and deregulation, but above all, with a campaign against the "labour market rigidities" created by decades of social welfare legislation and trade union power.

There has been one major obstacle, however, thwarting the worldwide triumph of this new economic orthodoxy: the boom in job creation in America, where the Reagan Administration has been relentlessly stimulating the economy with old-fashioned budget deficits for the past three years.

The juxtaposition between America's deficit-financed recovery—which has generated 6m jobs in a year and a half—and the continuing stagnation in Europe, where unemployment is generally forecast to go on rising this year and next — seems to provide a perfect counter-example for opponents of the new orthodoxy. Indeed, European trade unionists and opposition leaders, like Mr Kinnoch in Britain, have been driven to the embarrassing lengths of expressing open admiration for President Ronald Reagan in their frustration with the macro-economic austerity programmes in their own countries.

For the majority of European governments, however, the opposition views of recent U.S. experience are no more than a "popular confusion," as Mr Lawson put it. America's job creation has not been the product of macro policy — it was almost entirely due to the more efficient, competitive, innovative and adaptive labour and goods markets in the U.S.

Mr Lawson's analysis is right, there can be little hope for Europe's unemployed until sweeping labour market reforms succeed in weakening trade unions, reducing real wages and forcing workers to adapt to new kinds of jobs.

U.S. law and order

Baker and McKenzie, which boasts 278 partners, employs 704 lawyers and pays starting salaries of \$47,000 a year to the U.S. legal league table — ranked by size — according to the latest figures in the National Law Journal.

An in spite of quite a few ups-and-downs in rankings over the last year, Chicago's Sidley and Austin held on to the number two spot with 495 lawyers, including four in Muscat, of all places.

New York's Shearman and Sterling, which has Citibank among its blue chip clients, dropped from third to ninth. The number of lawyers employed in America's top 50 law firms increased by nearly 8 per cent during the year but Shearman shed staff for the second time in three years.

Philadelphia's Morgan, Lewis and Bockius, and Los Angeles' Gibson, Dunn and Crutcher also slipped out of the top five to 11th and eighth respectively.

The established West Coast firm of Pillsbury, Madison and Sutro moved up with newer firms such as New York's (a real mouthful) the Finley, Kumble, Wagner, Elaine, Underberg, Manley and Case.

Not that size always equates with influence in America's corporate boardrooms. Some of the elite corporate law firms rank well down the league table. New York's Cravath, Swaine and Moore, for example, which works in its unobtrusive way for several of America's biggest companies such as IBM, ranks only 30th in size.

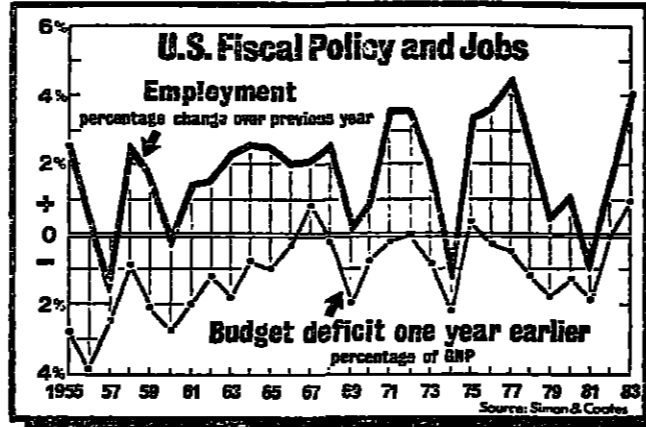
Sullivan and Cromwell, and Davis Polk and Wardwell, with clients like Exxon and Morgan Guaranty, occupy only slightly higher places.

The African state of Upper Volta's change of name seems to

New jobs

The real American lesson for Europe

By Anatole Kaletsky



growth of the past 18 months has been attributable partly, at least, to a Keynesian demand stimulus provided by soaring budget deficits and a marked relaxation of monetary policy in the second half of 1982 and the first half of 1983.

The close correlation between U.S. employment and the structural budget deficit a year earlier (see left-hand chart) certainly cannot account for much of the gap between job creation in America and Europe; in the past five years real labour costs have grown by 0.4 per cent in the U.S. against 0.3 per cent in Germany, 0.1 per cent in Belgium, 1.9 per cent in Britain and 1.0 per cent for the whole European Community. Because these wage increases have been compensated by productivity improvements, real unit labour costs remained unchanged on average both in the U.S. and in the EEC. In Germany, they actually fell by 0.6 per cent a year.

American industry's international competitiveness has plunged, meanwhile, as a result of the strong dollar. Unit labour costs expressed in a common currency have soared by 8.1 per cent a year in the U.S., while they have fallen by 6.3 per cent in the EEC between 1981 and 1984.

Neither is America's recent growth record of redeploying labour between occupations nearly as remarkable as is often suggested. By far the fastest employment growth since the end of the recession has occurred in construction and the durable goods industries, not in services. Within the manufacturing sector, the strongest job gains have been seen in furniture, timber, elec-

trical equipment and transportation equipment, including motor cars.

Along with construction, these are the classic cyclical industries, the fortunes of which depend on the state of demand in the economy. While they account for only 10.3 per cent of U.S. non-agricultural employment, these industries have provided 23.7 per cent of the new jobs since the end of the recession in 1981.

General services, wholesale and retail trade and finance, have provided 58.2 per cent of the new jobs in his 18 months. But this performance is hardly spectacular, considering that in the same period already employ 51 per cent of the labour force.

Is there no truth at all in the widespread view that America's enviable employment record stems from the willingness of manufacturing workers to take whatever jobs may be on offer, be they as car park attendants, computer programmers or short-ord chefs?

The answer depends entirely on whether one looks at short-term or long-term performance. Looking back before the 1981-1982 recession, it becomes apparent that a long-run shift of jobs has taken place from manufacturing into services (and, of course, within the manufacturing sector from declining industries like steel to advancing ones like computers).

The employment gains of the past 18 months have recouped only 65 per cent of the manufacturing jobs lost during the recession; and even after another year of economic growth, manufacturing employ-

ment is projected by Data Resources Inc, a leading economic forecasting firm, to be slightly lower than it was before the recession began in 1981.

Although 25 per cent of the "new" jobs created between 1981 and 1985 will have been steadily with each peak and trough of the economic cycle for the past 20 years, estimates of the NAIRU have also crept up as repeated efforts to refloat out of recession have ended with more inflation.

There are three effective counter-arguments to this. One is the U.S. experience, which suggests that the relationship between unemployment and inflation has not deteriorated any further in the past few years, after a marked worsening in the late 1960s and mid-1970s.

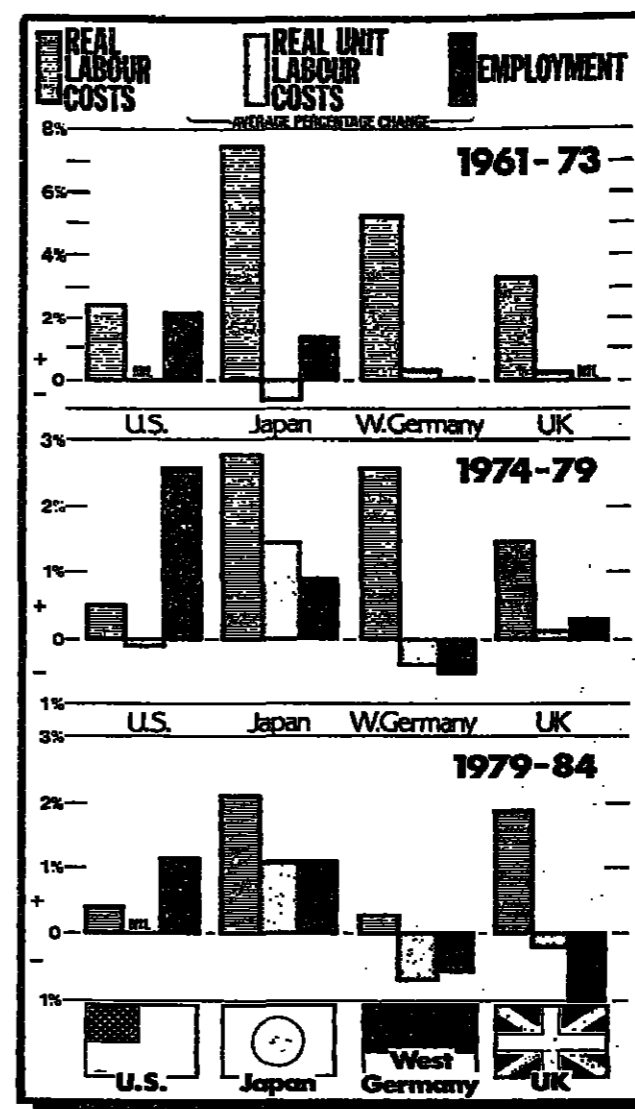
The second is the possibility that governments could take precautions against an upturn in inflation by selling targets for growth in terms of nominal GNP. Such a "target" would provide a signal to proceed more cautiously after inflation or real growth accelerate beyond the prescribed levels.

The third argument is that a tendency may well exist for the "natural" rate of unemployment to rise towards whatever level actually prevails in the labour market as joblessness becomes a habit, workers lose their skills and society has no choice but to make provisions for a permanent army — of unemployed.

Ultimately this is perhaps the strongest reason why Europe needs more jobs and more growth in the near future.

* Europe's case for unsuitable growth criteria for European Policy Studies, Brussels.

It says that 87 per cent of the



trical equipment and transportation equipment, including motor cars.

Along with construction, these are the classic cyclical industries, the fortunes of which depend on the state of demand in the economy. While they account for only 10.3 per cent of U.S. non-agricultural employment, these industries have provided 23.7 per cent of the new jobs since the end of the recession in 1981.

General services, wholesale and retail trade and finance, have provided 58.2 per cent of the new jobs in his 18 months. But this performance is hardly spectacular, considering that in the same period already employ 51 per cent of the labour force.

Is there no truth at all in the widespread view that America's enviable employment record stems from the willingness of manufacturing workers to take whatever jobs may be on offer, be they as car park attendants, computer programmers or short-ord chefs?

The answer depends entirely on whether one looks at short-term or long-term performance. Looking back before the 1981-1982 recession, it becomes apparent that a long-run shift of jobs has taken place from manufacturing into services (and, of course, within the manufacturing sector from declining industries like steel to advancing ones like computers).

The employment gains of the past 18 months have recouped only 65 per cent of the manufacturing jobs lost during the recession; and even after another year of economic growth, manufacturing employ-

ment is projected by Data Resources Inc, a leading economic forecasting firm, to be slightly lower than it was before the recession began in 1981.

Although 25 per cent of the "new" jobs created between 1981 and 1985 will have been steadily with each peak and trough of the economic cycle for the past 20 years, estimates of the NAIRU have also crept up as repeated efforts to refloat out of recession have ended with more inflation.

There are three effective counter-arguments to this. One is the U.S. experience, which suggests that the relationship between unemployment and inflation has not deteriorated any further in the past few years, after a marked worsening in the late 1960s and mid-1970s.

The second is the possibility that governments could take precautions against an upturn in inflation by selling targets for growth in terms of nominal GNP. Such a "target" would provide a signal to proceed more cautiously after inflation or real growth accelerate beyond the prescribed levels.

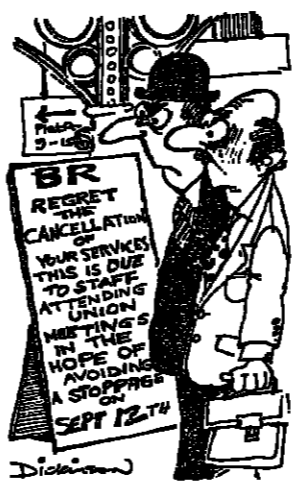
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Men and Matters



have thrown even the usually unflappable BBC World Service.

The latest monitoring service reports, for clarification, the following dialogue between Jacques-Prospere Bazie and Ouattamon Lamien, Director of National Radio, on the Ouagadougou home service in French on August 8.

"Q. Comrade Director, we have noted since the proclamation of Burkina Faso there have been unfortunate confusions concerning the designation of the country both in the spelling and the pronunciation. Why is this?"

"A. I think that it is due to the fact that we are not yet quite used to the national alphabet in which the sound 'ou' is spelled 'u' so it is normal that Burkina is spelled 'B-u-r' instead of 'B-o-u' as some people are inclined to write. So Burkina is spelled with 'u' and not 'ou'.

"Concerning Faso, some people often use a double 's', but it is spelled with a single 's'. Thus Burkina Faso is spelled with a 'u' for Burkina and a single 's' for Faso."

Shot putters

Britain's IMI, or Imperial Metal Industries as was, has had a good Olympics. No, it is not what you may think. The company has not been turning out gold, silver and bronze medals for event winners. IMI is in the base metal end of the market so far as the Games are concerned — brass and lead.

Eley, a wholly-owned subsidiary of IMI, reckons that its Tenex ammunition was used by 15 out of the 21 medalists for shooting events.

It says that 87 per cent of the

the normal commercial way. So there is not only the prestige, there is also the revenue."

New fields

WHEN organisations need a boost to a flagging image, they sometimes turn to the unlikely quarters for help.

Such is the case with the beleaguered but normally conservative National Farmers Union. In their battle with milk quotas and the bad press provoked by such activities as stubble burning, the farmers have enlisted the services of the former chief press officer of London's left-wing Southwark Borough Council.

Warren Newman, a small and dapper man of 37, was also PR adviser to the Association of Metropolitan Authorities in his previous incarnation, and helped to mastermind the group's effective advertising campaign against Government controls on local government two years ago — the so-called "keep it local" campaign.

It was one of the first times that advertising had been used on a large scale against the Government and was the precursor of the more recent "say no to no say" campaign run by the Greater London Council.

Newman is not telling what fireworks, if any, we can expect from him in his new role. But he seems undaunted by the prospect of being spokesman for an organisation on the defensive. "I'm certainly not afraid of difficult causes," he says cheerily. "The farming industry has a very positive tale to tell."

Loss of vision

From a Lancashire newspaper: "She has been a fortune teller on the promenade for over 30 years but now she has been told that her kiosk will have to go at the end of the summer season. 'I don't know what will happen then,' she told me, 'I will just have to wait and see!'"

Observer

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Letters to the Editor

Give the Laird yard a vote

From the Secretary, Joint Office Committee, Technical, Administrative and Supervisory Services, Amalgamated Union of Engineering Workers, Cammell Laird Shipbuilders.

Sir, I have been active in the trade union scene for nearly 25 years, with 20 of them in Lairds as senior representative in the staff union now called TASS of the AUEW.

We were concerned when our corporation's chairman - Mr Graham Day - accused the silent majority of acquiescence with the hard core of destroyers leading a total band of 38 within our company who are bent on our destruction to satisfy a public desire to save their jobs, even at the expense of the remainder.

In fact, my members, other staff unions for whom I can speak, and hundreds of our manual colleagues do not acquiesce with them. Remember we have lost some 1,300 jobs since May 11 this year (and that tends to quieten you) leaving only 1,704 upon which to build our future, and determinedly to regain our former place, both nationally and internationally.

That determination is more the unheralded British brand than any other type. It's part of our British make-up that seems not to react as a group until one hand or another is raised on one hand, but allows such freedom of expression to individuals on the other that they can, and do, claim, as in this case, to have support which they manifestly do not.

It is this attitude that is the real British disease, and its prevalence is the problem of Merseyside. Mr Day can be forgiven, with his North American drive, for misinterpreting our attitude.

The questions remain of what

should be done and who should do it. Do "we," whom I claim to speak for, wage war on our "enemy within" and manhandle them from the blocked accesses to the vessels, or should the company do it via the law, be it police or judge. These seem general (unvoiced) support for that latter. At least it would provide the silent majority with an opportunity to cross the line, whether official or unofficial at the time.

As to the "official position," there is admittedly a long-standing commitment to fight for anyone who is prepared to fight for their job, and it is unqualified, but it's a problem; these are the men and women who are the backbone of the company. It is clear the commitment must change to save as many jobs as possible by staying in existence.

The barricaders do have some support, but it is heavily political and anti-Government. More important, though, it is external to our company and various meetings of the past few months show the weakening of the militants. At a meeting of the whole workforce last April, shop stewards contrived to put the vote four times and lost each time. More recently they held a mass meeting of manual workers asking for a mandate for action in support of a "save our shipyard" campaign. The mandate was refused, assuredly on the basis of total mistrust of them. The problem now is getting another mass meeting. Those who should call it, or have authority to call it, will not do so because it will show the majority does not intend to commit suicide for these few. The time has come to test the case. Give the yard a vote and it will show you a will to survive.

C. B. Boswell, New Chester Road, Birkenhead.

going further still, for companies to second skilled young expatriates to voluntary agencies for short-term assignments in Third World countries. This would not only strengthen their involvement in the local communities where they operate, but would also give the individuals involved experience of working in the Third World, which would otherwise be denied to them now that junior and middle management positions are quite rightly increasingly filled by local people.

While there is understandable resistance to the idea of taking potential high fliers out of the main stream of career development, it must be recognised that, in the future, expatriates filling top positions in Third World countries will have had less and less experience of working in the less developed countries in their twenties.

Such schemes could benefit the voluntary agencies and help companies both in their career development work and in what Mr Dickson describes as "increasing corporate commitment to the community."

N. F. Wyburn, 103 New Oxford Street, WC1.

Training in the Third World

From the Director, International Chamber of Commerce UK

Sir, The interesting article by Tim Dickson "The switch from 'church bells' to job creation" (August 8) describes the increasing involvement of companies with the voluntary sector, including secondments to local enterprise agencies. It is pointed out that most companies may be keen to create a social involvement in which business can prosper in the longer term.

Can this be extended to Third World countries in which multinational companies operate for similar reasons?

The best of such companies have for a long time trained not only their own people, but their customers and suppliers as well. Some believe that it is in their interest to widen their activities to help train entrepreneurs having no direct connection with their businesses, as they do with enterprise agencies here at home, an idea that the ICC is encouraging as a matter of principle.

There could be a case of

held in LME warehouses accounted for less than a fifth of this figure. Unfortunately this is the latest date for which full set of information is available, whereas LME warehouse stocks are reported weekly and those for the Commodities Exchange in New York daily. This is a hardly surprising fact that more attention should be paid to these figures and that they are the dominant influence in any short term analysis of metal market prices.

J. T. Davies, 41 Doughty Street, WC1.

Metal held in warehouses

From the General Manager, World Bureau of Metal Statistics

Sir, Mr Ellinger (August 8) questioned whether significant quantities of metal are held in warehouses, other than those registered with the London Metal Exchange.

Certainly for most of the non-ferrous metals this is true. For refined copper, the August issue of "World Metal Statistics" reports that total commercial stocks held worldwide were 1.6m tons at the end of April. Stocks

Multi-lateral development

From the Chief, Information and Public Affairs, European Office, World Bank

Sir, Mr Miles Franklin writes (August 8) that UK progress through multi-lateral development institutions falls well below the UK's capital contributions. He has misunderstood the nature of these contributions, at least as they apply to the World Bank.

While the UK subscription to the World Bank's capital is indeed very large, only 10 per cent (and in future 8 1/2 per cent) is actually paid in, the remainder being callable in the unlikely event that the bank could not meet its obligations to its bondholders from its own resources. (In its 38-year history the bank has never had to call on these subscriptions.) UK taxpayers' contributions to the World Bank since its inception have been \$27.5m paid in capital and \$2.918.7m to the bank's affiliate for concessional lending, the International Development Association, for a total of \$3.196.5m. British companies have received \$4.335m in direct disbursements from

the World Bank for projects it has assisted. The net return is therefore slightly more than 136 per cent. It should also be noted that as the World Bank finances only a portion of the project costs. In many cases British companies have won contracts through bank projects that is reflected in those figures.

His assertion that multilateral assistance constitutes charity is so misleading. Lending by the World Bank and the regional development banks is overwhelmingly in support of productive projects with high rates of return which take several years to prepare and whose implementation is carefully supervised. Equally important, the bank works hard with the borrowing country to establish an appropriate policy and institutional framework in areas such as management and prices to ensure that the project will meet its objectives. Also, unlike charity, the money has to be repaid.

Tim W. B. Colten, 66 Avenue d'Iena, Paris.

Unfair to longer shareholders

From Mr E. Macfarlane

Sir, I think the terms of issue of loan notes as an alternative to cash by the Sun Alliance are unfair to longer and older shareholders of Phoenix.

These holders are required to face what could be substantial capital gains taxation and any deformation arising through acceptance of the loan notes is only until September 1987.

In my view, the Phoenix directors should require Sun Alliance to extend the final date for repayment of the loan notes to at least 1997 by which time most of the pensioners and older shareholders will have escaped liability to capital gain tax through demise.

E. W. Macfarlane, Leamington House, Bridge of Weir, Renfrewshire.



Let them take shared taxis

From Mr P. Ravenscroft

Sir, Hazel Duffy's interesting article against 8p on the bus despatching experiment in Hereford shows that the path towards reducing costs and simultaneously increasing consumer satisfaction is being well illuminated. It lies in the use of shared taxis, running at regular and convenient times, and charging a fixed price per seat. It would probably be necessary for the Council to

offer a subsidy at first, until the villagers became accustomed to the idea. It might even be necessary in some cases to offer a permanent subsidy, but this would be small compared to the existing subsidies to buses.

Maybe this is a suitable area for a subsidy from the Parish Council; this would tend to increase the sensitivity of the service to local needs.

Idea along these lines could provide life-lines to villages isolated of recent communications, the isolated from each other and the neighbouring town. Felham Ravenscroft, Oakwoods Farmhouse, Selborne, Alton, Hampshire.

Different defence policies

From Mr D. Cormack

Sir, Your leader (August 8) on Labour's rethought defence policy has been the only comment I have read to point out its "quite proper emphasis, missing sometimes from Tory statements, on arms control."

Yet you went on to criticise the policy as being under an illusion as to the nature of deterrence. The Nato (and Tory) policy of flexible response you describe as "deterrence all the way down the line." Indeed it is - all the way down the line to actual first use of nuclear weapons.

It is this policy, not Labour's, that seems to me to entertain illusions. Deterrence makes logical sense only if its failure amounts to the unthinkable - mutually assured destruction. A policy which provides for progressive escalation from conventional to supposedly "limited" nuclear retaliation sets us all on a slippery slope towards an inevitable holocaust.

The "sufficient uncertainty" of a potential aggressor no longer has any deterrent effect on him: his question is not whether Nato will use nuclear weapons, but when and how many?

Flexible response and the first-use option thus destabilise any real or perceived balance of power. The reality is that the guarantor of bank loans to buyers, the ECGD must expect to lose money when world markets go bad. The question whether it can ride the rough water without becoming a drain on the taxpayer: to be more precise, whether the interest it is getting on the £700m-plus it is owed by overseas central banks will continue to be enough to cover its borrowing from the British Exchequer.

The ECGD is not the only credit agency to feel the effects of recession, Third World debt crises and worldwide business failures. It is estimated that the 10 other largest export insurance bodies are all paying out more than they are taking in. Japan's EID, for example, although one of the most cautious (as well as one of the cheapest) is said to be paying four or five times its income. The same is true of the U.S.

UK civil aviation routes

From the Chairman and Vice-Chairman, British Airways Trade Union Council

Sir, A joint statement by British Midland and Air UK reported on August 8 said: "For too long, scheduled services passengers flying out of Manchester and Birmingham airports have been deprived of a more comprehensive choice of services through BA's efforts to protect its London gateway."

The statement is in support of their joint bid to take over British Airways services, and therefore the jobs of our members east of Manchester and Birmingham.

The EMA/Air UK statement also points out that from 1978 to 1983 BA actually reduced its international services out of Manchester from 17 to 10 and at Birmingham from 12 to 5 although there is no examination of the background. In many cases the reasons for the withdrawal were due to the growth of non-scheduled traffic on the same routes. In no case did any other UK operator take over any of those services suspended. Why not? If such great significance is to be placed on the BA withdrawal from routes, why then were they not taken up by other operators?

The Civil Aviation Authority may have provided the answer when it said: "In reality, the evidence suggests that British airlines have not been prevented from developing such services by the lack of physical airport facilities, by the authority's licensing policies or by any lack of traffic rights. The main difficulty, it seems, has been the lack of commercial opportunity or incentive."

C. Varndell, A. J. Clarry, 81, New Road, Harlington, Hayes, Middlesex.

Quietly working committee

From Mr F. Law

Sir, It is regrettable that, in the discussions of the European Community affairs, so little is being said or reported of the work which is being done by the economic and social committee.

Over the years of its existence the unpaid counsellors have recommended solutions to the commission which, because the problems were discussed in depth and with the earnest wish to find a compromise acceptable to the majority of member states, often improved the draft directive proposed by the commission.

The work is being done by the committee without fuss and without seeking to score political points, resulting in European solutions beneficial to all the member states.

In the debates and sub-committees, the members will and do explain the effects any one directive may have on their respective countries. Having heard and understood how each country would be affected by a

proposed directive, a consensus is usually found and accepted by the majority.

It is particularly encouraging to find that, in the assembly, where the counsellors have an opportunity to discuss matters affecting them all, they often share points of view which transcend frontiers.

This is probably due to the interests and expertise of the members, which varies widely, and it is here that employers and employees find a place for fruitful debate and private discussion.

I am a member of this committee, and therefore may well be accused of being "party-pris," but I trust that will be forgotten, in my hope to draw readers' attention to this institution constituted under the Treaty of Rome which, over the years, has worked away quietly in order to achieve real European solutions to many of the problems facing the Community.

Frank S. Law, 61, Cadogan Square, SW1.

Britain's ECGD

When the safety net sags

By Christian Tyler, Trade Editor

ASKED to reel off the names of Government departments, most people would—in normal times—probably forget the Export Credits Guarantee Department. Clumsily named, shy of scrutiny and living in the City of London, not in Whitehall, the ECGD traditionally goes about its very considerable business undisturbed.

But these are not normal times, and this quasi-commercial arm of central government is getting its name in the papers. Buffeted from without by the debt crises of nearly 30 developing countries, the department is also under pressure at home from Parliament, the Treasury, the exporting community and even the private insurance market.

Last week's trading results were a measure of the hard times that the ECGD is living through. They showed a trading deficit for the first time in the department's 65 years, £108m on a total portfolio of insured risks of over £22bn. At the end of the last financial year, March 31, it was overdrawn at the bank for the first time in 30 years. Today it is borrowing nearly £200m from the Consolidated Fund, at commercial rates of interest. That cash deficit looks like growing steadily for another year or two at least.

If the ECGD were a normal insurance company, people would be putting out the boats by now. But of course it is not. As the Government department that insures British exporters against non-payment or a late payment of their bills and as the guarantor of bank loans to buyers, the ECGD must expect to lose money when world markets go bad. The question whether it can ride the rough water without becoming a drain on the taxpayer: to be more precise, whether the interest it is getting on the £700m-plus it is owed by overseas central banks will continue to be enough to cover its borrowing from the British Exchequer.

The ECGD is not the only credit agency to feel the effects of recession, Third World debt crises and worldwide business failures. It is estimated that the 10 other largest export insurance bodies are all paying out more than they are taking in. Japan's EID, for example, although one of the most cautious (as well as one of the cheapest) is said to be paying four or five times its income. The same is true of the U.S.



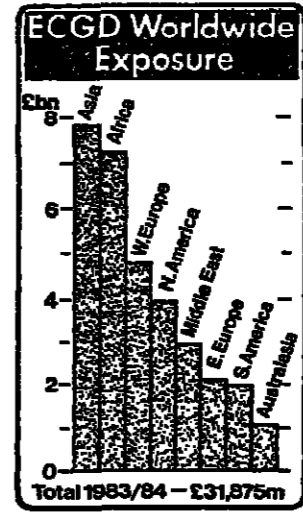
MR JACK GILL, the ECGD Secretary

Eximbank. Also running those of a commercial company, just as its underwriting decisions are not always a matter of commercial judgment. The underwriters are sometimes asked to take on business at rates that no commercial organisation would touch. They do so "in the national interest."

Either a friendly country wants credit for a project that is not readily insurable, or the loss of a particular contract would mean the end of the British presence in an important market, or failure to secure an order would mean a politically unacceptable loss of jobs in the UK. The ECGD's underwriters make their own assessments, but ultimately they can find themselves overruled by the Department of Trade and Industry, or the Foreign Office, or even perhaps No. 10.

The Public Accounts Committee has not seriously challenged the ECGD's "political" role. But MPs have begun to show some polite concern about the books. In their report last month, for instance, they worried about the miscellaneous provision against sovereign losses, the high and rising volume of business in risky markets, the disappearance of the department's assets abroad and the continued lack of internal yardsticks for measuring efficiency.

If its accounts were the only topic of public interest, the ECGD might have continued to soldier on in its customary discreet fashion. But by coincidence, the past year has exposed



Exposure is the value of all business insured

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Bankers cautious over loan request by Argentina

By Peter Montagnon, Eurorark Correspondent, in London
ARGENTINA'S leading creditor banks were expected to react cautiously yesterday to a request from Sr Bernardo Grinspun, Economy Minister, for an extension of Wednesday's repayment deadline on a \$125m advance granted at the end of June.

Sr Grinspun was due to make the request at a meeting of the banks yesterday afternoon in New York. This followed progress made between Argentina and the International Monetary Fund in weekend talks on an economic stabilisation programme.

President Raul Alfonsín said in Buenos Aires that Argentina has reached "a successful and substantial agreement with the IMF," but as the bankers gathered for yesterday's meeting some were concerned that this could overstate the degree to which differences between the two sides have narrowed.

Argentina has a long-established pattern of overstating progress in its talks with the IMF as a tactic designed to wring concessions out of its bank creditors. However, monetary sources in Washington yesterday confirmed that progress had been made in agreeing key policy objectives. Further talks are needed and an IMF mission is to visit Buenos Aires within the next two weeks.

Receivership for Zündapp

ZÜNDAPP-WERKE, the West German motorcycle producer, has filed for receivership because it can not meet creditors' demands, court officials said in Munich, Reuter reports.

The application for receivership follows the failure of talks with the Bavarian Government on a possible rescue plan, a spokesman for the Economics Ministry in Munich said.

German banks protest at tax probe searches

By JONATHAN CARR IN BONN

WEST GERMAN banks have issued a sharp protest against blanket searches which have been carried out at several of their branch offices by authorities probing cases of alleged tax evasion.

The protest is contained in a letter from the central credit committee, which includes representatives of all German banking groups, to the finance and justice ministries at national and state level. The letter was sent last month and has now been made public.

British plan to tax imports on arrival delayed for one month

By MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

THE BRITISH Treasury has yielded to pressure from traders to refer the starting date for a scheme for taxing imports on arrival to a later date than the payment of value added tax (VAT) on imports.

Mr Barney Hayhoe, the Treasury's Minister of State, said yesterday that the new system, announced in the March Budget, will now start on November 1, a month later than intended.

The decision to change the date follows a period of confusion, uncertainty and delay in negotiations between traders, the banks and Customs and Excise about now the system is to be operated.

The scheme, which will yield the Treasury a one-for-all benefit of £1.2bn (\$1.7bn), will end the present accounting system under which VAT is paid on average about 11 weeks after imports enter the country.

Belfast clash revives tension in London-Dublin relations

Continued from Page 1

Likely to increase financial support for the republican cause through Noraid. In New York yesterday, Noraid said the "brutal attack" by the RUC was "blatant demonstration before the world of the murderous intent and methods of the British presence in Northern Ireland."

In Belfast, another member of Noraid, Mr Richard Lawlor, said it was "the moral duty of Americans to send them (the IRA) American guns to ensure democracy."

The use of plastic bullets appears, at a stroke, to have undone many months of work by Mr James Prior, the Northern Ireland Secretary. During his term, the use of plastic bullets has been sharply reduced as a matter of policy.

Any improvement this policy has brought in relations between Roman Catholics and the security forces appears to have been destroyed overnight. Indeed, in Dublin yesterday the situation was being described as "the worst confrontation between the minority community and the security forces since the 1981 hunger strike."

The events could disrupt the present close co-operation between the two Governments. Mr Prior and Mr Peter Barry, the Irish Foreign Minister, get on extremely well and consult each other regularly.

branch of a leading German bank by officials who suspected that customers had illegally avoided paying about DM 700,000 (\$241,550) in tax.

The tax officials had a warrant to look into specified accounts but - according to the banks - they conducted a wider search, taking notes about the business transactions of other customers too.

It is understood the members of the bank's staff were warned that if they resisted the search they would be taken by van to the state prosecutor's office for questioning.

In their protest letter the banks stress that they have been - and remain - ready to help the authorities investigate according to the law, but they claim that officials are exceeding their authority, collecting

information to which their warrant does not entitle them. The banks made clear they were not prepared to tolerate further searches of this kind, and called on all the ministers concerned to take action to prevent a recurrence.

It is understood that the Düsseldorf affair is one of five cases in the last six years in which tax officials are felt to have exceeded their authority in searching banking premises.

On the face of it that might seem a fairly modest number, since West Germany has nearly 5,000 banks with almost 40,000 branches. The banks have couched their letter in very strong terms, however, intending it as a "warning shot" to politicians to rein in their excessively zealous officials quickly.

Instead VAT will have to be paid as the goods come in, unless the trader has applied for a special licence to defer payments for an average of 30 days.

Trade organisations had warned that ports could become dangerously congested if large numbers of lorries were held up while VAT demands were processed.

To avoid this they have been urging importers to apply for a licence to defer payment.

However, the Customs authorities have processed only about half the 25,000 applications for deferred payments so far, and applications are still coming in.

The Simplification of International Trade Procedures Board (Sitpro), a government-sponsored body closely involved in the changeover, estimates that as many as 50,000 traders may eventually apply for deferred payment of VAT.

The applications for deferred licences have been delayed because the Customs department is demanding financial guarantees backed by banks.

Some banks were reluctant to give these guarantees to at least some of their customers, but after negotiations between the Committee of London Clearing Banks and the Customs, it appears that branches of the major banks have been instructed to take a sympathetic attitude to granting guarantees.

Mr Ray Walker, chief executive of Sitpro, said the deferral would give a welcome breathing space to traders. He urged companies which had not already applied for the delayed payment of VAT to do so at once.

The Treasury said the month's delay would not affect its estimate of the £1.2bn cash benefit in the current financial year.

Extremists hold key in Corsica

By David Marsh in Paris

EXTREMIST political groups hold the balance of power in the Corsican regional assembly elected on Sunday, raising the prospect of fresh divisiveness in coming months as the parliament tries to tackle the island's pressing economic and social problems.

The poll maintained Right-wing parties as the largest single block in the 61-seat Corsican assembly, although without an overall majority. It also resulted in gains for the Left compared with the first regional elections two years ago.

Supporters of the militant independence movement Unita Nazulinista, which won three seats with 3.2 per cent of the vote, excitedly fired pistols and rifles into the air in the early hours of yesterday morning in the Corsican capital of Ajaccio after the declaration of the results.

The separatists, with close links to the banned Corsican National Liberation Front (FLNC), did not participate in elections to the first assembly. This was set up in 1982 with a special degree of local autonomy as part of President Francois Mitterrand's decentralisation policy. It was dissolved by the Paris Government in June after months of inconclusive political bickering.

The other extremist grouping to gain from Sunday's polls was the Right-wing National Front which gained six seats with 9.2 per cent of the votes. M Jean-Marie Le Pen, the National Front leader who has reaped the fruits of an overall radicalisation of French politics in recent months, said after the elections his organisation was now a "durable" feature on the opposition landscape.

The more moderate Corsican autonomist groups which held the balance of power in the first assembly lost ground, while the National Front vote also bit into support for the main Right-wing opposition parties under the local neo-Gaullist RFR leader, M Jean-Paul de Rocca-Serra.

One optimistic feature of the poll was the relatively high turnout of 68.6 per cent, in spite of considerable local apathy and the rival attractions of the wild boar hunting season, which opened at the weekend.

French spur to banks

Continued from Page 1

1974 and 1980, and claimed that savings had never been better protected than under President Francois Mitterrand.

He hailed the banks' base rate cut as "positive for industry and for employment."

By acting to bring down savings rates on bank and other shorter term deposits, the Government hopes to give an encouraging signal to the bond market, which the Socialists have tried to boost as a prime source of funds for investment.

CU cuts high risk insurance business in U.S.

By Eric Short in London

COMMERCIAL Union Assurance, one of Britain's largest composite insurance groups, is to make a major cut in its U.S. insurance business - its largest operation.

From October 1 1984, Commercial Union Corporation, the U.S. company, will cease writing special risks lines and will not renew contracts after that date.

CU has been rationalising and reorganising its U.S. operations in the past three years while underwriting losses have risen as the U.S. insurance cycle has gone deeper on its downward swing. Unprofitable lines and agencies have been cut out and staff made redundant.

In announcing a half-yearly underwriting loss in the U.S. of \$131m, the company said staff numbers in the U.S. had been cut by 20 per cent since the beginning of 1982, but this is the first major line of business to be completely discontinued.

Special risks lines are large risks, mostly in workers' compensation business, placed by major corporations, where the premium is at least \$200,000. They operate on an individual rating system, individual premiums being based on the claims experience of the particular corporation. This has stopped being basic insurance and has become more of a financial arrangement with the corporation.

In 1983 this business accounted for \$177m of the total \$1.35bn of premium income of CU's U.S. operations - 13 per cent of the total - and will result in a significant fall in premium volume. In future CU will concentrate on ordinary commercial and personal insurance in the U.S.

The move will involve further staff redundancies. Only a few staff are being retained to handle the running off of existing business, and some specialist underwriters have been transferred to handle commercial lines.

The move will ease the pressure on solvency in the U.S., but the company claims that the main effect will be to concentrate resources in the U.S. rather than produce an immediate major impact on overall profitability.

UK firms hold merger talks

Continued from Page 1

When this change is made, Mullens' main strength will be its institutional client base. This, combined with the market-making skills of Akroyd, would be a powerful base from which to enter the new system.

Warburg has already taken the first step towards becoming a financial conglomerate through the purchase by Mercury of a 29.9 per cent holding in Akroyd, which in turn gave Akroyd an effective 8 per cent holding in Mercury.

THE LEX COLUMN The rescue of the oil price

After last week's concerted attempt to drive up the spot oil price, the oil producing countries and the international oil majors took a well-earned break yesterday. Even the UK Department of Energy, which has been as vigorous in its defence of official prices as any Opec state, kept its own counsel. The market's response to this sudden outbreak of silence was to mark down spot prices - the benchmark Brent price fell 35 cents to \$28.20 - and oil share prices duly followed suit.

The relationship between spot prices and oil industry earnings is by no means as direct as the parallel movement of crude prices and oil shares would suggest but, so long as the market continues to be dominated by the oil majors, they are doing themselves no harm by talking up the oil price. Last week's second quarter statement from Royal Dutch/Shell contained about as bullish a forecast on prices as that highly cautious company has ever produced.

In their own defence, the oil companies could also legitimately argue that their overriding interest is to keep prices stable and that a cut in official prices at this juncture would have run against the underlying supply and demand trend. With the benefit of hindsight, it is clear that a reduction in official prices was avoided only by a whisker. Not since March 1982 had such a large gap opened up between official and market prices without triggering an official price adjustment.

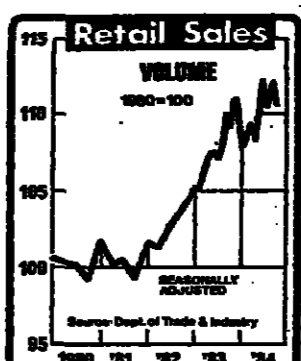
Moreover, it is not far-fetched to suppose that the recent perception of oversupply may reverse by the end of the year. Oil company stocks are, according to the more optimistic reports, running at around 90 days of supply, close to the operational minimum while, on the assumption of average winter weather, fourth quarter demand should exceed the 172m barrels per day production quota by around 12m b/d. That is not enough of a margin to justify any increase in Opec output but it does at least provide some cushion against a further run on spot prices.

Booker

Dee has not been able to repeat the success of its eventual acquisition of Key Markets last year from Fitch Lovell. Its offer to buy Booker McConnell's Budget and Bishop's chains might have been enough to mollify the Monopolies Commission

Retail sales

Yesterday's retail sales estimate for July dovetailed very neatly with the last week's banking figures. The dock and miners' strikes, with the anticipation of a mortgage rate increase, may have made the July fig-



ure an even less than usually reliable guide to the consumer trends, but at the very least it adds another paragraph to the argument that retail demand is slowing down.

At this stage in the business cycle, such a slowdown would certainly not be surprising. Yesterday's industrial production figures for June, besides knocking on the head any idea that the miners' strike is barely affecting output, showed an increase in the production of investment goods for the month which under the circumstances looks encouraging.

Companies reporting on the half year to June are sounding reasonably optimistic about the outlook for the second half.

The strength of corporate liquidity gives plenty of room for higher capital expenditure, not to mention the odd takeover bid, and the message at present is that manufacturing industry is beginning to rise to the challenge.

BTG

The British Technology Group has responded smartly to the Government's directive, issued last October, to dispose of the assets of the National Enterprise Board. The jewels in the NEB crown have all but gone.

James has been sold to Thorn EMI for £35m, while yesterday Data Recording Instruments took its first step towards a public flotation with the sale of 65 per cent of BTG's holding to a consortium.

BTG receives £8m now and is expected to dispose of its remaining stake when the company goes public late in 1985.

British Underwater Engineering Group, with a turnover of £25m last year, is the only remaining investment of any size, and for it too, private capital is being sought. The remaining hotchpot of small technology companies will be sold off over the next couple of years.

Given the Government's distaste for retaining industrial assets in the state sector, it is perhaps not surprising that BTG's role has diminished.

It has increasingly concentrated on furthering technology transfer, a field in which it acts more as broker than as supplier of capital. The Government has yet, however, to demonstrate much support even for this more limited function and, with virtually no assets left, BTG may find itself without a job.

It seems there are only two builders to choose from these days.

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World Weather

Area	Temp	Wind	Cloud	Area	Temp	Wind	Cloud
Amman	23	04	01	London	15	12	02
Algiers	28	02	02	Madrid	18	08	01
Amsterdam	11	12	02	Moscow	12	08	01
Athens	21	12	02	Osaka	21	10	01
Bahia	27	09	02	Paris	15	12	02
Bangkok	32	08	02	Prague	12	08	01
Bombay	28	08	02	Rangoon	28	08	02
Buenos Aires	29	04	02	Reykjavik	16	01	01
Calcutta	30	08	02	Rome	20	08	01
Canton	27	12	02	Sao Paulo	24	08	02
Cebu	28	08	02	Seoul	23	08	01
Colombo	28	08	02	Stockholm	12	08	01
Conakry	28	08	02	Taipei	27	08	02
Copenhagen	11	08	02	Tokyo	28	08	02
Dakar	28	08	02	Urumchi	20	08	01
Dhaka	28	08	02	Yokohama	28	08	02

French spur to banks

Continued from Page 1

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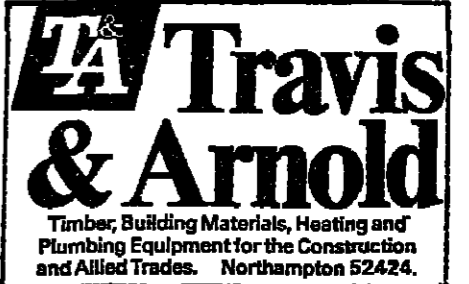
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valuations & rating —



SECTION II - INTERNATIONAL COMPANIES FINANCIAL TIMES

Tuesday August 14 1984



Akzo earnings increase 128% in first six months

BY WALTER ELLIS IN AMSTERDAM

AKZO, the Dutch chemicals and fibres group, saw continued strong growth during the first six months of this year. Net income rose by 128 per cent, to Fl 393m (\$120.4m) compared with the opening half of 1983, while sales increased by 12 per cent, to Fl 8.3bn.

Saga oil improves as dollar stays high

By Fay Gjeester in Oslo

SAGA PETROLEUM, Norwegian oil independent, made a profit before allocations of Nkr 192m (\$23.8m) in the opening half of 1984 - Nkr 122m up on a year earlier. Operating income was Nkr 380m, against Nkr 300m.

Higher sales lift Asea results 28% at midway

BY DAVID BROWN IN STOCKHOLM

ASEA, the Swedish electrical engineering and electronics group, reported a 28 per cent increase in first half profits before extraordinary items, appropriations and taxes to Skr 1,056m (\$125.6m) on higher sales volumes and interest income.

Record gains for K mart retail group

BY DAVID BLACKWELL IN NEW YORK

K MART, the second largest retail chain store in the U.S., posted record second-quarter net earnings of \$144.4m or \$1.11 a share, against \$117.7m or 91 cents a share last year.

Stauffer restates profit

BY OUR NEW YORK STAFF

STAUFFER CHEMICAL, the U.S. specialty chemicals group, overstated its 1982 net income by more than a fifth and has agreed with the U.S. Securities and Exchange Commission (SEC) to restate its profits for 1982 and 1983. The company says the change will not affect its 1984 results.

Peak sales for Volvo UK unit

VOLVO'S British truck and bus subsidiary achieved record sales in 1983 but its taxable profit fell from £4.1m (\$6.4m) in 1982 to £2.2m.

FCA assets shrink as operating costs grow

BY WILLIAM HALL IN NEW YORK

FINANCIAL CORPORATION of America (FCA) which has grown rapidly into the biggest real estate lender in the U.S. over the last few years, has begun to shrink its asset base in the face of a severe squeeze on its operating margins.

Datatronic set for Victor stake

By Our Stockholm Correspondent

DATATRONIC, the Swedish computer and software company, is to make a "major announcement" today following persistent reports that it has won its bid to take a majority stake in Victor Technologies, the troubled U.S. computer group.

GM plans 'sizeable' white-collar staff cuts

BY PAUL TAYLOR IN NEW YORK

GENERAL MOTORS, the world's largest automotive group, confirmed yesterday that it plans a major shake-up of its 130,000-strong U.S. white collar workforce, which will lead to "sizeable" layoffs, which will lead to "sizeable" layoffs.

IMPALA PLATINUM HOLDINGS LIMITED Preliminary Profit Statement and Declaration of Final Dividend. Table showing consolidated profit, tax, and dividends for 1984 and 1983.

Molson hit by battle for beer market lead

By Robert Gibbons in Montreal

THE BATTLE to win back its traditional leadership in the domestic beer market will be costly for the Canadian Molson Company this year, though its retailing and international chemicals business are posting record sales and earnings.

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Contracts and Tenders: BY ORDER OF THE LIQUIDATOR (OF RABBIT SOFTWARE LTD - IN LIQUIDATION) ROSAN and COMPANY INVITE OFFERS BY TENDER FOR A COMPREHENSIVE RANGE OF CASSETTE TAPE, COMPUTER GAME PRODUCING PLANT, MACHINERY & EQUIPMENT.

Company Notices: TOKYO SANYO ELECTRIC CO LTD (CSB). The administrative committee that at present is in charge of the liquidation of Tokyo Sanyo Electric Co. Ltd.

Art Galleries: MATTHEWSON, 7-8, Manor's Yard, Duke Street, LONDON, E.C. 4A. Tel: 01-253 7500.

BANK HANDLOWY W. WARSZAWIE S.A. Floating Rate Note issue of U.S.\$ 30 million 1979/80.

Clubs: EVE has pulled the others because of a policy of non-discrimination for women. Summer from 10.30 am. Day and night.

REPUBLIQUE ALGERIENNE DEMOCRATIQUE ET POPULAIRE (Algerian Popular Democratic Republic) MINISTERE DE L'ENERGIE (Ministry for Energy and Chemical and Petrochemical Industries) ENTREPRISE NATIONALE DES TRAVAUX AUX PUIES (National Oil Exploitation Company) NOTICE OF NATIONAL AND INTERNATIONAL CALL FOR TENDERS NUMBER 1404.1M/DIV.

State Bank of India State Bank of India announces that its base rate is reduced from 12% to 11% per annum with effect from August 13th 1984. The rate of interest payable on 7 day ordinary deposits is reduced from 8 1/2% to 8% per annum. Main Office in the U.K. State Bank House, 1 Milk Street, London EC2

The Toronto Dominion Bank U.S. \$100,000,000 Floating Rate Debentures February 1992. For the six months 14th August 1984 to 14th February 1985 the Debentures will carry an interest rate of 12 1/2% per annum.

AHMSA Altos Hornos de Mexico, S.A. U.S.\$100,000,000 Floating Rate Notes due 1987. In accordance with the provisions of the above Notes, notice is hereby given that for six months from 10th August 1984 to 10th February 1985, the Notes will carry an interest rate of 12 1/2% per annum.

This Advertisement includes information given in compliance with the Regulations of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland ("The Stock Exchange") for the purpose of giving information to the public with regard to International Bank for Reconstruction and Development ("The Bank") and the Stock. The Bank has taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein whether of fact or of opinion. The Bank accepts responsibility accordingly.

August 13, 1984



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

£100,000,000 LOAN STOCK 2003

to be a FURTHER ISSUE of the 11½% LOAN STOCK 2003

except in the circumstances set out below under "Determination of Interest Rate, Issue Price and Issue Yield"

payable as to £30 per cent. on application
and as to the balance by January 17, 1985
with interest payable half yearly on May 9 and November 9

Baring Brothers & Co., Limited

Hambros Bank Limited
Morgan Grenfell & Co. Limited

Hill Samuel & Co. Limited
N. M. Rothschild & Sons Limited

Kleinwort, Benson Limited
J. Henry Schroder Wagg & Co. Limited

Lazard Brothers & Co., Limited
S. G. Warburg & Co. Ltd.

Application has been made to the Council of The Stock Exchange for the £100,000,000 Loan Stock 2003 now being offered (the "Stock") to be admitted to the Official List for quotation in the Gilt-edged market.

The Stock will be available in registered form, transferable in multiples of one penny. Renounceable allotment letters (partly paid) in respect of the Stock will be despatched on August 22, 1984. Stock Certificates will be despatched on February 14, 1985 provided the balance of the monies payable has been duly paid. No person is authorized to give any information or to make any representation not contained herein or in the Explanatory Statement dated August 10, 1984 giving information relating to the Bank (or any abridgement hereof or thereof authorized by the Bank) and any information or representation not contained herein or therein must not be relied upon as having been authorized by the Bank or by any of the Managers named above. The application list will open at 10.00 a.m. on Thursday, August 16, 1984 and will close later the same day.

INFORMATION RELATING TO THE ISSUE

Determination of Interest Rate, Issue Price and Issue Yield

The Stock will be a further issue of the Bank's 11½ per cent. Loan Stock 2003 (the "Existing Stock") and will be issued at such price (not less than £90½ per cent.) as will result in the Stock having a Gross Redemption Yield equal to the Issue Yield as determined on the basis described below. However, if to produce this Issue Yield on the basis of an 11½ per cent. interest rate, the issue price of the Stock would need to be less than £90½ per cent., then the Stock will be a separate issue and the rate of interest attaching to the Stock will be such higher rate (being an integral multiple of ¼ per cent.) as will produce an issue price as near as possible to but not less than £90½ per cent. The issue price will be expressed as a percentage rounded to three decimal places. For taxation treatment see "Current United Kingdom Tax Treatment and Stamp Duty" below.

The Issue Yield shall mean the sum of 0.85 per cent. and the Gross Redemption Yield on 13½ per cent. Treasury Stock 2004-2008 (the "Reference Stock") calculated by reference to the price of the Reference Stock on The Stock Exchange, London at 3.00 p.m. on Wednesday, August 15, 1984, such price to be determined by Baring Brothers & Co., Limited ("Barings") to be the arithmetic mean of the bid and offered prices quoted on a dealing basis for settlement on the following business day by three jobbers in the Gilt-edged market. The Gross Redemption Yield on the Reference Stock will be expressed as a percentage and will be calculated on the basis set out in the *Journal of the Institute of Actuaries*, Vol. 105, Part 1, 1978, page 18.

It is intended that notice of the Issue Yield, rate of interest and issue price will be published in the *Financial Times* on Thursday, August 16, 1984.

Underwriting Arrangements

By an Underwriting Agreement dated August 13, 1984 Barings, Hambros Bank Limited, Hill Samuel & Co. Limited, Kleinwort, Benson Limited, Lazard Brothers & Co., Limited, Morgan Grenfell & Co. Limited, N.M. Rothschild & Sons Limited, J. Henry Schroder Wagg & Co. Limited and S. G. Warburg & Co. Ltd. (the "Managers") have agreed with the Bank to underwrite the issue of the Stock.

Barings, on behalf of the Managers, and the Bank may agree in certain circumstances to terminate the Underwriting Agreement, which is subject to certain conditions and accordingly, if they so agree or the Underwriting Agreement does not become unconditional, applications for the Stock will become void.

Terms of Payment in Respect of Applications

Each application, unless made by a recognized bank or stockbroker taking advantage of the alternative method of payment described below, must be accompanied by a cheque payable to Barings Brothers & Co., Limited and crossed "IBRD Loan", representing payment at the rate of £30 per cent. of the nominal amount of the Stock applied for. Such cheques must be drawn on a branch in the United Kingdom (including Northern Ireland), the Channel Islands or the Isle of Man of a bank which is either a member of the London or Scottish Clearing Houses or which has arranged for its cheques to be cleared through the facilities provided for the members of those Clearing Houses.

Barings, on behalf of the Bank, reserves the right to retain the relevant allotment letters and surplus application moneys (if any) pending clearance of applicants' remittances and allotment.

An alternative method of payment is available in respect of payments of £50,000 or more only to recognized banks or stockbrokers who irrevocably engage to pay Barings for credit to the account designated "IBRD Loan" by 10.00 a.m. on Wednesday, August 22, 1984 the amount in Town Clearing Funds representing payment at the rate of £30 per cent. of the nominal amount of the Stock in respect of which their applications shall have been accepted. The expression "Town Clearing Funds" shall mean a cheque or bankers' payment for £50,000 or more drawn on a Town Clearing Branch of a bank in the City of London.

The balance of the amount payable on the Stock allotted must be paid so as to clear by 12 noon on January 17, 1985. Any amount paid in advance of its due date shall not bear interest.

Failure to pay the balance on any Stock when due will render all amounts previously paid liable to forfeiture and the allotment liable to cancellation. Interest at the rate of 15 per cent. per annum may be charged on such balance if accepted after its due date. The Bank further reserves the right in default of payment to sell any such Stock fully for its own account.

The expression "recognized bank or stockbroker" shall mean any organization which is a recognized bank for the purposes of the Banking Act 1979 and any firm of stockbrokers which is a member of The Stock Exchange and such other banks or brokers as Barings shall at their absolute discretion agree for the purposes of the issue.

Delivery

Renounceable allotment letters (partly paid) in respect of Stock allotted will be despatched not later than August 22, 1984 by first class post at the risk of the person submitting the application in accordance with the instructions stated on the Application Form.

Allotment letters may be split up to 3.00 p.m. on January 15, 1985 in accordance with the instructions contained therein into denominations of integral multiples of £100.

Unless a duly renounced fully paid allotment letter with the registration application form duly completed is received by Barings on or before January 17, 1985, the Stock represented by such allotment letter will, when fully paid for, be registered in the name of the original allottee and thereafter the Stock will be transferable only by instrument of transfer.

Stock Certificates will be despatched on February 14, 1985, after which date allotment letters will cease to be valid for any purpose.

TERMS AND CONDITIONS OF THE STOCK

The issue of the Stock has been authorized by a Resolution of the Executive Directors of the Bank passed on August 9, 1984 and will be constituted as an unsecured obligation of the Bank by an Instrument to be dated August 22, 1984 (the "Instrument") executed by the Bank and deposited with Barings. If the Stock is a further issue of the Existing Stock, the Instrument will be supplemental to the Instrument dated November 9, 1983 constituting the Existing Stock.

The Stock is not an obligation of any Government.

Negative Pledge

As long as any of the Stock shall be outstanding and unpaid, the Bank will not cause or permit to be created on any of its property or assets any mortgage, pledge or other lien or charge as security for any bonds, notes or other evidences of indebtedness heretofore or hereafter issued, assumed or guaranteed by the Bank for money borrowed (other than purchase money mortgages, pledges or liens on property purchased by the Bank as security for all or part of the purchase price thereof), unless the Stock shall be secured by such mortgage, pledge or other lien or charge equally and rateably with such bonds, notes or other evidences of indebtedness.

Interest

The Stock will bear interest from August 22, 1984 at a rate to be determined in accordance with "Determination of Interest Rate, Issue Price and Issue Yield" above. Interest will be payable by equal half yearly instalments on May 9 and November 9 ("Interest Payment Dates") in each year except that the first payment of interest on May 9, 1985 will be calculated using the following formula:—

$$I = R \times \frac{149,365 \times 309 + R \times 112,265}{100}$$

where R is the interest rate per annum attached to the Stock (expressed as a percentage), p is the Issue Price and I (expressed in pounds and rounded to three decimal places) is the first interest payment per £100 nominal amount of the Stock.

Interest will cease to accrue on the Stock on the due date for redemption thereof unless payment of principal is improperly withheld or refused by the Bank.

Form and Transfer

The Stock will be issued in registered form and will be transferable in multiples of one penny by an instrument in writing as if the Stock were a security to which Section 1 of the Stock Transfer Act 1963 of Great Britain applied or by any other form approved by the Bank. The initial Register and Transfer Office for the Stock will be at Barings, Bourne House, 34, Beckett Road, Beckenham, Kent BR3 4TU.

Redemption and Purchase

The Stock will be repaid at par on November 9, 2003. The Bank may at any time purchase Stock on any recognized stock exchange or by tender (available to all holders of Stock alike) at any price or

by private treaty at a price (exclusive of expenses and accrued interest) not exceeding 120 per cent. of the middle market quotation of the Stock on The Stock Exchange (or failing such quotation on such other stock exchange on which the Stock is listed for the time being) at the close of business on the last business day before the date of purchase but save as aforesaid the Bank may not purchase any Stock. The Bank will be entitled to hold and deal with Stock so purchased which may be cancelled or not as the Bank thinks fit.

Payments

Payments of principal and interest will be made in pounds sterling by warrant, drawn on a Town Clearing Branch of a bank in the City of London, which will be sent, not later than the business day prior to the due date for payment thereof, at the holders' risk by post to persons who are registered as holders of Stock as at the close of business on the relevant Record Date or to their nominated agents and made payable to such holders or as they may direct. In the case of joint holders, the warrant will be sent to the first-named unless instructions to the contrary are given in writing. The "Record Date" shall mean the thirtieth day before an Interest Payment Date but should such thirtieth day fall on a day on which the specified office of the Registrar is not open for business then the Record Date shall mean the first day thereafter on which such specified office is open for business.

Events of Default

If the Bank shall default in the payment of the principal of, or interest on, or in the performance of any covenant in respect of a purchase fund or a sinking fund in, any bonds or notes (including the Stock) or similar present or future obligations which have been issued, assumed or guaranteed by the Bank, or in the performance of any other obligation arising from "Negative Pledge" above, and such default shall continue for a period of 90 days, then at any time thereafter and during the continuance of such default the holder of any of the Stock may deliver or cause to be delivered to the Bank at its Principal Office in the City of London, District of Columbia, United States of America, written notice that such holder elects to declare the principal of all Stock held by him to be due and payable, and on the thirtieth day after such notice shall be so delivered to the Bank the principal of such Stock shall become due and payable, unless prior to that time all such defaults theretofore existing shall have been cured.

Prescription

Principal will cease to be payable on the expiry of a period of 10 years and interest will cease to be payable on the expiry of a period of 5 years, in each case from the due date.

Replacement of Stock Certificates

If any Stock Certificate is mutilated, defaced, destroyed, stolen or lost it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Bank and the Registrar may require. Mutilated or defaced Stock Certificates must be surrendered before replacements will be issued.

Further Issues

If the Bank wishes to issue further stock so as to form a single issue with the Stock, it shall be at liberty to constitute such further stock by a supplemental instrument on terms that it shall be consolidated and form a single issue with the Stock.

Notices

All notices shall be valid if despatched by post to the holders of Stock at their registered addresses (in the case of joint holders to the address of the holder whose name stands first in the Register). Any such notice shall be deemed to have been given on the day following the date of such despatch.

Modification of Rights

The conditions of the Stock, the provisions of the Instrument and the rights of the holders of the Stock will be subject to modification by Extraordinary Resolution of the holders of the Stock (and of any further stock forming a single issue with the Stock and, if the Stock is a further issue of the Existing Stock, of the Existing Stock) as provided in the Instrument. Such a Resolution will require a majority of not less than three-quarters of the votes cast thereon.

Governing Law

The Stock and the provisions of the Instrument will be governed by and construed in accordance with the laws of England. Legal proceedings in connection therewith may be brought in the courts of England.

INFORMATION RELATING TO THE STOCK

Current United Kingdom Tax Treatment and Stamp Duty

The Bank has been advised, on the basis of current law and practice, as follows:—

- (i) interest on the Stock is payable without deduction of United Kingdom income tax;
- (ii) the Stock will not be a deep discount security within the meaning of Section 36 of the Finance Act 1984 for the purposes of United Kingdom tax on income. Notwithstanding that the issue price of the Stock may be below its nominal value, no part of that nominal value paid on redemption of the Stock will be treated as subject to United Kingdom tax as income (except where the recipient is a person holding the Stock as a dealer for United Kingdom tax purposes). On a disposal of the Stock in the open market by a holder of the Stock (other than a disposal by a person holding the Stock as a dealer for United Kingdom tax purposes, but including any disposal by any other person on a purchase made by the Bank pursuant to the provisions set out under "Redemption and Purchase" above), no part of the disposal proceeds received will be subject to tax as income;
- (iii) the Stock will be a qualifying corporate bond within the meaning of Section 64 of the Finance Act 1984 for the purposes of United Kingdom tax on capital gains. Gains on Stock held for more than 12 months will generally be exempt from that tax by virtue of Section 67 of the Capital Gains Tax Act 1979 (as extended by Section 64 of the Finance Act 1984). Capital losses on disposal of Stock held for more than 12 months from the relevant acquisition will not be allowable losses. Consequently, if the Stock is issued at a premium and held until redemption at par, giving rise to a capital loss, such loss will not be allowable. If the disposal is within 12 months of the relevant acquisition any gain will be taxable and any capital loss will be allowable, subject to the detailed legislation dealing with the identification of securities and utilisation of losses; and
- (iv) transfers of the Stock are free of United Kingdom stamp duty.

Persons contemplating the acquisition of Stock who are uncertain as to their current or future United Kingdom tax treatment or as to their treatment under the revenue laws of other jurisdictions, should consult their professional advisers.

Stock Exchange Dealing

The Stock will be eligible to be dealt in on The Stock Exchange in the Gilt-edged market. The Stock will normally be traded for settlement and delivery on the working day after the date of the transaction. If the Stock is a further issue of the Existing Stock, it will be listed and will trade separately on The Stock Exchange until April 9, 1985 (the Record Date for the first Interest Payment Date), when the Stock and the Existing Stock will be treated as a single issue. The price of the Stock will be quoted inclusive of accrued interest. It is expected that dealings on The Stock Exchange will begin on Friday, August 17, 1984 for deferred settlement on Thursday, August 23, 1984.

Trustee Status

When the Stock is listed it will be an investment falling within Part II of the First Schedule to the Trustee Investments Act 1961.

Building Society Status

When the Stock is listed it will be an investment falling within the Schedule to the Building Societies (Authorised Investments) (No.2) Order 1977 (as amended) and will fall initially within Part III of that Schedule.

PURPOSE OF THE ISSUE

The net proceeds to the Bank from the issue of the Stock will be used in the general operations of the Bank.

PRINCIPAL INFORMATION REGARDING THE BANK

Except as otherwise indicated, all amounts set forth herein are expressed in current United States Dollars.

Establishment and Membership

The Bank is an international organization, also known as the World Bank, which was established and has been operating since 1946 under the Articles signed by the governments of its member countries. One hundred and forty-six countries are now members of the Bank. The principal office of the Bank is located at 1818 H Street, N.W., Washington, D.C. 20433.

Principal Purpose of the Bank

The Bank's principal purpose is to promote the economic development of its member countries in the interest of fostering the long-term growth of international trade and improved standards of living. Its principal activity is providing loans for specific projects and related technical assistance.

The loans held by the Bank (including loans approved but not yet effective) at June 30, 1984, totalled \$76,365,488,000 of which the undisbursed balance was \$38,525,100,000. With the exception of \$866,352,000 in loans to the International Finance Corporation, all loans have been made to, or are unconditionally guaranteed by, member countries. The Bank's cash and liquid investments, which totalled \$14,869,017,000 at June 30, 1984, are invested in obligations of governments and of certain agencies and instrumentalities of the United States Government and in time deposits and other unconditional obligations of banks and financial institutions.

Capitalization

The following table shows the borrowings and the capital and reserves of the Bank at June 30, 1984:

		(\$'000)
Borrowings		
Short-term		
Payable in U.S. dollars	2,748,585	
Less - Net unamortized discounts	27,118	
		2,721,467
Medium- and long-term		
Payable in		
U.S. dollars	15,663,527	
Japanese yen	8,137,461	
Deutsche mark	7,391,263	
Swiss francs	6,825,058	
Other currencies	4,262,932	
Principal outstanding at face value	42,280,241	
Contracts to borrow	84,211	
Less - Net unamortized discounts and premiums	70,932	
		42,293,520
Total		45,014,987
Capital and Reserves(1)		
Subscribed capital stock	56,010,584	
Less - Uncalled portion of subscriptions	51,042,160	
Capital stock paid in	4,968,424	
Reserves and accumulated net income - unallocated	4,342,101	
Total		9,310,925

(1) The figures with regard to capital stock in the above table are based on the substitution of one special drawing right ("SDR") of the International Monetary Fund ("IMF") for one 1944 dollar (the basis for expressing the Bank's capital under its Articles). The Bank has not finally determined how its capital is to be valued in current dollars following the 1978 amendments of the Articles of Agreement of the IMF.

From July 1, 1984 to July 31, 1984, the Bank's short-term borrowings decreased by a net amount of \$18,115,000 and the medium- and long-term borrowings increased by a net amount of \$455,715,000.

The uncalled portion of capital subscriptions, totalling \$51,042,160,000, may be called only when required to meet obligations of the Bank for funds borrowed or on any loans which might be guaranteed by it. This amount is thus not available for use by the Bank in making loans.

At June 30, 1984, the callable capital of the 16 members of the Bank which are also members of the Development Assistance Committee of the Organization for Economic Co-operation and Development was \$32,788,948,000.

On the basis of the substitution of one SDR for one 1944 dollar (see footnote 1 above), the authorized capital of the Bank at June 30, 1984, expressed in current United States dollars, was \$73,896,196,500 (716,500 shares). This amount of authorized capital includes a capital increase of 365,000 shares (about \$44,000,000,000), 331,500 shares of which are subject to reduction if, on the basis of the time of a final determination of the value of the Bank's capital stock, the value of these shares would exceed \$40,000,000,000.

Summary Balance Sheet at June 30, 1984

		(\$'000)
Assets		
Due from banks	460,998	
Investments	15,574,534	
Cash collateral invested	1,812,555	
Receivable on account of subscribed capital	1,088,851	
Receivable from contracts to borrow	85,799	
Receivable from sales of investment securities	444,615	
Accrued income on loans	938,113	
Accrued interest on investments	243,750	
Loans outstanding	37,840,288	
Notional amounts required to maintain value of currency holdings	706,530	
Other assets	1,146,013	
Total		60,340,036
Liabilities, Capital and Reserves		
Liabilities		
Accrued charges on borrowings	1,324,170	
Notional amounts required to maintain value of currency holdings	287,928	
Accounts payable and other liabilities	227,821	
Payable for investment securities purchased	1,256,044	
Payable for cash collateral received	1,047,339	
Due to International Development Association	1,812,535	
Short-term borrowings	2,721,467	
Medium- and long-term borrowings	42,293,520	
Capital and Reserves		
Capital stock (SDR '000)		
Authorized capital (SDR 71,650,000)		
Subscribed capital (SDR 54,315,400)	56,010,584	
Less - Uncalled portion of subscriptions (SDR 49,497,348)	51,042,160	
		4,968,424
Payments on account of pending subscriptions	44,615	
Special reserve	292,538	
General reserve		
Accumulated net income	4,383,248	
Cumulative translation adjustments	(933,724)	
Accumulated net income-unallocated		600,039
Total		60,340,036

Summary Statement of Income for the Fiscal Years Ended June 30, 1984 and 1983

	Fiscal years	
	1984	1983
Total Income	4,654,522	4,232,457
Expenses		
Interest on borrowings and other financial expenses	3,692,524	3,135,037
Administrative expenses	346,451	321,919
Total Expenses	4,038,975	3,456,956
Operating income	615,547	775,501
Contributions to special programs	(15,598)	(23,500)
Net Income	600,039	752,001

This information relating to the Bank is qualified and further explained by the detailed information published on behalf of the Bank in the Extel Card relating to the Bank dated August 10, 1984 (in which numerical data are given as of March 31, 1984), which is available in the Extel Statistical Services and copies of which may be obtained from—

- Baring Brothers & Co., Limited, 8 Bishopsgate, London EC2N 4AE.
- W. Greenwell & Co., Bow Bells House, Broad Street, London EC4M 9EL.
- Rowe & Pitman, 1st Floor City-Gate House, 39-45 Finsbury Square, London EC2A 1JA.
- Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN.

GENERAL INFORMATION

The Bank has agreed to pay to its Managers a commission of one and one quarter per cent. of the nominal amount of the Stock for their services in managing and underwriting the issue from which the Managers will, on behalf of the Bank, pay a commission of three quarters of one per cent. of the nominal amount of the Stock to other underwriters of the issue. The Bank will also pay brokerage of one eighth of one per cent. of the nominal amount of Stock issued pursuant to subscriptions received from or through recognized banks and stockbrokers. The total expenses of the issue (including the above-mentioned commissions and brokerage) are estimated to amount to about £1.45 million and are payable by the Bank.

There has been no material adverse change in the financial condition of the Bank since June 30, 1983. The Bank has obtained the approval and agreement of H.M. Government required under the Bank's Articles of Agreement in connection with the issue.

Copies of the Instrument constituting the Stock and, if applicable, the Instrument constituting the Existing Stock and of the latest audited accounts and of the Articles of Agreement of the Bank will be available for inspection at the specified office of the Registrar until redemption of the Stock.

Documents for Inspection

Copies of the following documents will be available for inspection at the offices of Freshfields, Grindall House, 25 Newgate Street, London EC4A 7LH during normal business hours until August 22, 1984—

- (i) the Articles of Agreement of the Bank;
- (ii) the Underwriting Agreement referred to above;
- (iii) the Instrument constituting the Existing Stock referred to above;
- (iv) drafts subject to modification of the alternative forms of Instrument constituting the Stock;
- (v) the audited accounts of the Bank for the five years ended June 30, 1983 and the unaudited accounts for the nine months ended March 31, 1984; and
- (vi) a copy of the Journal of the Institute of Actuaries, Vol. 105, Part I, 1978, pages 15 to 26.

Principal Office of the Bank

1818 H Street, N.W., Washington, D.C. 20433.

Receiving Bank and Registrar

Baring Brothers & Co., Limited,

Bourne House, 34 Beekenhall Road, Beckenham, Kent BR3 4TU.

Slaughter and May, 25 Abchurch Lane, London EC4N 3DF.

Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN.

Brokers

W. Greenwell & Co., Bow Bells House, Broad Street, London EC4M 9EL.

Freshfields, Grindall House, 25 Newgate Street, London EC4A 7LH.

Rowe & Pitman, 1st Floor City-Gate House, 39-45 Finsbury Square, London EC2A 1JA.

INTL. COMPANIES & FINANCE

Banco Filipino sues Central Bank

BY EMILIA TAGAZA AND LEO GONZAGA IN MANILA

THE BITTER battle between Banco Filipino, the Philippines' largest savings bank, and the country's Central Bank has developed into a courtroom struggle for control over the savings bank.

Over the weekend lawyers representing Banco Filipino (BF) initiated a civil case against the Central Bank and Mr Jose B. Fernandez, its governor, contesting the appointment of a conservator—a high-powered administrator who has the authority to change BF's executives, control its lending policies and negotiate its complete or partial sale.

IMF targets For his part, the Central Bank governor claimed yesterday that the money pumped out to support BF and other troubled banks had been responsible for the extending of the money supply targets set by agreement with the International Monetary Fund (IMF).

According to Mr Fernandez, at least two banks had received over 1bn pesos (\$55.6m) each —one was BF—and this had upset the timetable for a \$650m standby credit from the IMF.

BF was temporary shut last month because of its inability to meet withdrawals. BF's lawyer said on Saturday that the appointment of a conservator to run the bank's affairs was illegal, arbitrary and malicious because it is tied to the 3bn pesos credit line extended to BF by the Central Bank. "BF was never declared insolvent, which is the only ground for the appointment of a conservator," the lawyer said.

The 3bn peso emergency line was given to BF after President Ferdinand Marcos intervened in the BF-Central Bank row three weeks ago. The President ordered the Central Bank to help BF re-open by provid-

ing the emergency loan. Apart from seeking to have the conservator's appointment declared illegal, BF has also asked the court to order the Central Bank to waive all interest payments on the emergency loans and advances extended to the bank, and to order Mr Fernandez to pay BF damages.

Financial plan

The governor said yesterday that "the suit would give the Government an opportunity to present the facts of the case." He deplored "imputation of bad faith and malice" made by Banco Filipino and went on to say that the imputations were "themselves malicious and irresponsible."

Without giving figures on the extent of the above-ceiling growth in the monetary and credit aggregates, Mr Fernandez said that there had to be

changes in the financial plan submitted to IMF which accompanied the request for the standby facility. He expressed optimism that the \$650m would be made available by the fund "within this year."

The suit caps the animosity between BF and the Central Bank which has grown since the weeks before BF's week-long shutdown. BF has claimed that the Central Bank had refused to give further assistance despite its presentation of 200m pesos worth of collateral, and that Mr Fernandez had insisted on BF's surrender of 51 per cent of its stocks for sale to other partners, as a condition for additional assistance.

Mr Fernandez, on the other hand, claimed that the Central Bank's earlier advances to BF had reached 979m pesos. Additional advances were stopped because a substantial part of the amount was used "improperly."

Adler to be chief executive at Santos

By Lachlan Drummond in Sydney

SANTOS, the Australian oil and gas group, has finally appointed a chief executive after 20 months of operating with its chairman filling in as acting executive head.

Mr Ross Adler, 39, is currently deputy managing director at Australian Paper Manufacturers and will take over at Santos in October. Santos already has two executives with all industry backgrounds. Mr Adler's main role will be in determining future strategies and assuming financial control of a group which is now generating annual cash flows of more than A\$200m (\$165m).



Mr Ross Adler: to determine future strategies

with the completion of the Cooper Basin liquids scheme. Mr Adler's appointment follows a six-month search locally and overseas and comes after the board has settled on a medium-term plan which will see Santos remaining firmly biased towards Australian oil exploration, with diversification, for the moment, constrained by geography rather than industry.

The announcement of the appointment of Mr Adler, who was chief executive of the trading group Brown and Dureau when it was taken over by APM in 1979, coincided with the reporting by Santos of a small oil flow and a hydrocarbon show from two separate wells in Northern Western Australia, the first positive sign from its diversification away from the Cooper Basin area.

Groups in China coal project win \$160m bridging facility

HONG KONG—Occidental Petroleum and Peter Kiewit Sons have received a US\$160m bridging finance facility from seven banks for work on a coal project in hChina.

The facility comprises a \$120m standby letter of credit (LC) facility and a \$40m bridging loan. The LCs are for three years on a fee basis for banks and the loan is for one year at an undeclared margin over the London interbank offered rate (LIBOR).

The two companies, which are developing the Pinghuo coal project in Shanxi province, said the basis of the project financing may be "China risk" rather than "U.S. risk," but they would not elaborate.

Eventual financing will total between \$300m and \$400m. Banks participating in the bridging facility are IJF Asia and The Royal Bank of Canada, at \$30m each, and BA Asia, the Bank of China, Credit Lyonnais, First Chicago International Capital Markets group and Standard Chartered Asia at

\$20m each. No mandate has been awarded for the full financing and it is not expected before the end of the year.

The bridging facility will be superceded by the project finance package. The loan will receive contingent support from China, said bankers. Responsibility for the loan could be shifted to the China National Coal Development Corporation if there is an underlying change in the project structure. Reuter

Group profits of Singapore airline up 36%

SINGAPORE.—Singapore Airlines (SIR) said its group profit, after tax and extraordinary items, rose to S\$140.2m (US\$65.2m) in the year ended in March, up 36.1 per cent from S\$103.8m in the previous year. Group turnover increased by 4.6 per cent during the year to S\$2.9bn from S\$2.8bn.

For the airline itself, after-tax earnings rose by 17.5 per cent to S\$123.1m from S\$104.8m. Revenue increased by 4.2 per cent to S\$2.731bn from S\$2.621bn.

The government-controlled airline said its increased profitability reflected growth in the world economy and the decline in fuel prices. The cost of fuel, the largest single item of expenditure, fell by 14.2 per cent to S\$643.7m from S\$750.9m.

MULTI-PURPOSE Holdings, received acceptances in respect of 146.1m shares from its rights issue of 150.21m shares of one ringgit (U.S. 42.9 cents) apiece when it closed on July 31. This represented 97.3 per cent of the issue. Applications for excess shares were received in respect of 10.71m shares. Agencies

Getty to sell Korean chemicals stake

SEOUL—Getty Oil of the U.S. has agreed to sell its stake in a chemical joint-venture to Kukdong Oil of South Korea. Getty will also invest \$5m in one of Kukdong Oil's refinery projects.

Kukdong has agreed to buy the U.S. company's 25 per cent stake in Yongnam Chemical for \$10m. According to the agreement, Kukdong will pay Getty \$2m in cash this year and \$1m

per year for a further eight years, while Getty will invest the \$5m in cash in the refinery project.

The state-run Korea General Chemical Corporation owns 50 per cent of Yongnam's shares and Estech of the U.S. holds 25 per cent. It is not clear why Getty wanted to pull out of the joint venture.

Getty and Kukdong need final approval from the finance ministry for the investment, an execu-

tive of the South Korean company said.

Kukdong currently has an oil refinery in Pusan with a capacity of 10,000 barrels a day. According to the Kukdong plan, the company will raise its capacity to 60,000 barrels per day when its new refinery is completed in Chungchong-Namdo. To complete the refinery construction, Kukdong needs about \$20bn won (US\$395m). AP-DJ.

Rothmans Australia ahead despite sluggish second half

BY OUR SYDNEY CORRESPONDENT

A SMALLER share of a falling cigarette market cut into second half earnings at Rothmans of Pall Mall (Australia) in the year to June 30, but the group ended the 12 months with net profits ahead by 22 per cent from A\$1.6m to A\$38.5m (US\$2.5m). Final half profits were A\$18.7m, down from A\$19.8m in the first half but up from the A\$16.7m of the final period last year.

Annual sales were up by 8 per cent from A\$660m to A\$714m, after an 11 per cent rise at mid-year. The annual trading performance was helped by investment income of A\$7.4m against A\$3.5m, mostly from interest income on the large cash balances built up in the last three years of sharply rising profits.

The company blamed the shrinking market on increases in excise and tobacco taxes. The intense competition this has fostered is expected to continue for some time. Its rival, Philip Morris, last week reported an increased market share and almost double net profits to A\$33m for the same period, but also showed a flat second half. Rothman's annual dividend is

up from 45 cents to 60 cents, with a final payment of 30 cents compared with 22.5 cents. Meanwhile, Rothmans of Pall Mall (Malaysia) reports a 56 per cent increase in pre-tax operating profit to 51m ringgit (US\$22m) for the year ended June, on turnover ahead by 17 per cent to 995m ringgit, writes Wong Sulong in Kuala Lumpur. The company said the good showing was because of better

sales, improved efficiencies and higher retail prices. Profit after tax was 59 per cent higher at 28.5m ringgit. Net earnings per share rose to 33 cents from 14 cents, while net assets per share increased to 1.29 ringgit from 82 cents. A final unchanged dividend of 8.5 cents is proposed, but on the paid-up, which was increased to 124m ringgit through a one-for-two bonus issue.

APPLICATION FORM
The application list will open at 10.00 a.m. on Thursday, August 16, 1984 and will close later the same day. This Form must be lodged with Baring Brothers & Co., Limited, 8 Bishopsgate, London EC2N 4AE.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
\$100,000,000 LOAN STOCK 2003
to be a FURTHER ISSUE of the 11 1/2% LOAN STOCK 2003
except in the circumstances set out in the Advertisement published on August 14, 1984 (the "Advertisement").
Payable as follows: On application £30 per cent, and the balance of the issue price by January 17, 1985.

To: Baring Brothers & Co., Limited
In accordance with the terms of the Advertisement I/we apply as below.
I/we undertake to accept the amount of Stock applied for or any less payment at the rate of £30 per cent. of the above-mentioned nominal amount of Stock. In consideration of the collateral contract between me/us and the Bank which shall become binding upon the despatch by mail or delivery of this application form duly completed to Baring Brothers & Co., Limited. I/we understand that the completion and delivery of this Form accompanied by my/our cheque constitutes a representation that my/our cheque will be honoured on first presentation. I/we hereby engage to pay the balance payable on the Stock by January 17, 1985 on any allotment made to me/us in respect of this application. I/we understand that failure to pay such balance by the due date will render the amount previously paid liable to forfeiture and the allotment liable to cancellation and that interest at the rate of 15 per cent. per annum may be charged on such balance if accepted after the due date and that the Bank may, without prejudice to any other rights, in default of payment sell the Stock fully paid for its own account. I/we acknowledge that any allotment letter and (if appropriate) cheque for any application monies returnable to me/us is liable to be held pending clearance of such payment. I/we hereby request that any allotment of Stock to me/us be evidenced by a letter of allotment addressed to me/us and be sent by post at my/our risk to me/us at the first address shown below.

Dated: 1984

(1) Usual signature.
In the case of a corporation, the Common Seal must be affixed or this form signed by a duly authorised officer who must state his capacity.

FOR OFFICE USE ONLY
1. Acceptance No.
2. Amount of Stock accepted

Forenames in full: _____
Surname: _____
(also state designation: Mr., Mrs., Miss or title)
Full Postal Address: _____

(2) Usual signature.
In the case of joint applicants all must sign.
(2) Usual signature.
Forenames: _____
Surname: _____
(also state designation: Mr., Mrs., Miss or title)
Address in full: _____

(3) Usual signature.
Forenames: _____
Surname: _____
(also state designation: Mr., Mrs., Miss or title)
Address in full: _____

ALTERNATIVE METHOD OF PAYMENT
(This method of payment is available in respect of amounts of £50,000 or more only to recognised banks or stockbrokers as described in the Advertisement.)
We hereby engage to pay Baring Brothers & Co., Limited, 8 Bishopsgate, London EC2N 4AE, £50,000 or more by credit to the account designated "IBRD Loan" by 10.00 a.m. on Wednesday, August 22, 1984 the amount in Town Clearing Funds representing payment of the rate of £30 per cent. of the nominal amount of the Stock allotted to the person(s) named above in respect of this application. In consideration of the Bank agreeing to issue the Stock as mentioned above, we agree that this engagement shall be irrevocable until August 22, 1984 and that this irrevocable shall constitute a collateral contract between us and the Bank as mentioned above.

Authorized signatory:
In the case of a corporation, the Common Seal must be affixed or this form signed by a duly authorised officer who must state his capacity.

Stamp of bank or broker claiming brokerage (if any) _____ A.I.L. Number _____ Stock allotted _____
Name of bank or broker _____
Address: _____

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities. The offer is made only by the Prospectus.

\$600,000,000

The Coastal Corporation

Subordinated Exchangeable Variable Rate Notes

The Subordinated Exchangeable Variable Rate Notes will bear interest at the rate of 14.60% per annum from August 15, 1984 through November 14, 1984. Thereafter, the Variable Rate Notes will bear interest until August 14, 1989 at a rate per annum for each quarterly period equal to the greater of (i) the Three Month Treasury Rate, as defined, plus 300 basis points or (ii) LIBOR, as defined, plus 175 basis points; provided, however, that in no event shall the rate be greater than LIBOR plus 250 basis points, except that the rate of interest for the period from November 15, 1984 through February 14, 1985 shall not be less than 14.60%. From August 15, 1989 through August 15, 1994, the Variable Rate Notes will bear interest at a rate per annum for each quarterly period equal to the greater of (i) the Three Month Treasury Rate plus 350 basis points or (ii) LIBOR plus 225 basis points; provided, however, that in no event shall the rate be greater than LIBOR plus 300 basis points. The Variable Rate Notes will mature on August 15, 1994, unless exchanged or redeemed prior to such date. The Variable Rate Notes are exchangeable for Subordinated Fixed Rate Notes, at the option of the Company, in whole but not in part, on any interest payment date on or prior to August 15, 1989. The Fixed Rate Notes will mature five years from the exchange date and will bear interest at a rate per annum equal to 124% of the Five Year Treasury Rate, as defined, determined as of the exchange date. Interest on the Variable Rate Notes and the Fixed Rate Notes will be payable quarterly, with interest payments on the Variable Rate Notes commencing November 15, 1984.

Drexel Burnham Lambert
INCORPORATED

August 10, 1984

UK COMPANY NEWS

Palma Group fails to meet budget

THE ENLARGED Palma Group of hosiery, knitwear and underwear makers has turned round from a loss of £87,000 to a profit of £408,000 in the half year ended June 30, 1984, but the chairman expresses disappointment that the return to profitable trading by the original Montfort companies is taking longer than previously anticipated.

However, Mr Peter Bailey says he is confident that action taken is having the "required effect" and the setback should prove temporary. It is too early to assess the trading outcome for the year as a whole. The investment programme and improved operating procedures within the group should continue to show in the overall performance.



Mr Peter Bailey, chairman and managing director of Palma Group

Palma Group was a private company run by the Bailey family and bought a controlling interest in Montfort (Knitting Mills) in June 1983. In November it made a reverse takeover to effect a full merger, and the enlarged undertaking was renamed Palma Group.

Figures for the first half of 1983 have been restated to include Palma and the Montfort group as set out in the offer document at the time of the merger. Turnover shows a small reduction from £9.65m to £9.28m

after the sale or closure of two Montfort companies. In the full 1983 year turnover was given as £21.47m and profit as £207,000. Tax for the half year takes £123,000 (£45,000) to leave the net profit at £208,000 (loss £112,000), to which last year was added extraordinary charges of £108,000. Earnings are 1.16p (loss 1.03p) per share and an interim dividend of 0.75p is

secure the profitable development of the core business.

comment
Palma's interim profits are down nearly 30 per cent on the preceding six months—partly a mark of the seasonal nature of the textile trade, but also a reflection of heavier than expected £250,000 loss at one of the Montfort companies. The group attributes this to a loss of confidence by customers which left the subsidiary question operating at only 60 per cent of capacity. That goodwill has now been regained; the subsidiary is now working at full tilt and should break even for the year. Group margins have nearly doubled from their 1983 level to 4.4 per cent, mainly thanks to economies of scale resulting from the Montfort merger. The fruits of this year's £2.5m capital spending programme will not be seen until 1985, since the first batch of computerised production equipment does not arrive until September, and the first fully automated line comes on stream almost year after that. But Palma's new technology will clearly enable it to win market share both from domestic and from cheap imports. The shares slipped 1p to 40p, a heady 26 times historic earnings.

19% profits improvement for Stock Conversion

Stock Conversion and Investment Trust, the property investment, development and dealing group, achieved record results in the 12 months ended March 31, 1984, and the directors are confident that the current year will also be a successful one.

Profits before tax rose by 19 per cent from £14.5m to £17.4m, with investment activities accounting for £18.1m (£14.1m) and dealing profits, £1.3m (£0.4m).

Attributable profits increased by 25 per cent from £7m to £8.8m, after tax of £5.2m (£7.1m) and minorities of £3.2m (same). Earnings per 25p share were up from 13.43p to 16.84p and the total dividend is lifted 16 per cent to 8.5p (4.75p) net, with a final of 3.5p.

Dividends absorb £2.9m (£2.5m) leaving a retained balance of £5.9m, against £4.5m. Extraordinary receipts of £4.3m, mainly represented by the net surplus on sales of investment properties, have been transferred to capital reserves.

Acquisitions of a number of minority interests during the year reduced the figure shown in the consolidated balance sheet from £11.1m to £4.1m (same) because of these acquisitions and the retained surplus, shareholders' funds advanced from £249.6m to £253.1m, raising the disclosed net asset value from 460p to 483p per share.

An EGM is to be held immediately after the annual meeting on September 17 to obtain shareholders' authority to the company acquiring its own shares.

Easton Centre Properties, a 10 per cent owned associate of Stock Conversion, reported profits from an adjusted £6.09m to £5.21m in the year to end March 1984. Net rents from properties improved by £0.21m to £7.64m.

Tax charge was £3.09m (£3.19m) leaving net profits up from £2.89m to £3.1m.

Manor National well on the way to recovery

THE MOTOR dealing and leasing group Manor National is looking forward to 1985 with more optimism. This Ford and Austin Rover dealer has suffered several years of losses but the management feels that the planned return to profit "is well under way."

With the co-operation and assistance from the manufacturers to recover the trading margins, plus the strong support of the banks and finance houses, the group will enter 1985 "much leaner and fitter," the directors claim in their interim statement.

And they are selling Boswell Manor (Insurance Brokers) subsidiary in a management deal which will reduce the overdraft and improve the gearing.

Facilities with the banks and finance houses have given a sound base for vehicle stock funding and normal business trading.

Reporting on the half year ended June 30 1984, the directors say that turnover rose from £29.3m to £31.46m, but pressure on margins cut the profit from £37,000 to £3,000. They are paying the preference dividend, and this leaves only the payment in respect of the six months ended December 31 1983 in arrears.

However, with the culmination of the previous year's planning, a stronger Austin Rover distributorship representation and a 60 per cent increase in profits for vehicle trading but the August B registration sales

DIVIDENDS ANNOUNCED

Company	Current Payment	Date	Corresponding Div.	Total	Total Last Year
Howard Shuttering	2.75	Oct 11	1.78	4.53	4.53
Jamesons Chees	2	Nov 28	2	4	4
Merchants Trust	1.3	Oct 1	1.5	2.8	2.8
Murray Caledonian	1.7	Feb 4	1.5	3.2	3.2
Palma Group	0.75	Oct 10	2.35	3.1	3.05
Stock Conversion	3.5	Oct 1	5	8.5	4.75

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ US\$ stock. § Unquoted stock.

should see "a substantial increase" in the trading profit position.

On the sale of the insurance division, which is subject to shareholders' approval, the directors say that proceeds will be substantially above net asset value, and although some trading profit will be lost, head office time and management expenses will be saved without any loss of insurance services and advice. They feel this business does not fit in well with the rest of the group.

Boswell operates as general insurance broker and provider of pension services from offices in Newcastle-under-Lyme and Macclesfield. In the first half of 1984 it contributed £128,000 to group turnover and £24,000 to profit before interest and internal management charges, compared with £250,000 and £57,000 respectively in the whole of 1983.

At the end of 1983 its net tangible assets were £4,000 after deducting £115,000 it owed to Rix Manor, a group company. Since then it has paid £50,000 of that debt and £50,000 by way of management fee for 1984 — for some years it has given a management fee to Rix Manor.

Having already received the fee, Rix Manor will then get a total of £100,000 cash for the period of 1984. In addition, the outstanding debt balance of £65,000 will be secured on the assets and personally guaranteed by Mr J. P. Thompson and Mr J. R. Wurr, and will be repaid in equal annual instalments over three years from completion.

In the rest of the group Rix Manor has established the Solus Austin Rover distributorship and the Unipart corporate wholesale franchise at Lancaster, reorganised into a single distributorship in Newcastle-under-Lyme, and in Luton has the complete Solus franchise for the territory following withdrawal of the franchise by Austin Rover.

Lower provision benefits Manchester Ship

A MUCH reduced provision for voluntary severance has enabled the Manchester Ship Canal Company to produce a pre-tax profit of £1.94m in the first half of 1984, compared with £237,000 in the corresponding period.

Income showed improvement on 1983 and changes in the design practice have reduced costs. But those benefits were outweighed by high wage increases that had to be conceded, resulting in a fall in profit from operations. The com-

pany was not helped by industrial action within the engineering group, lasting four weeks.

The second half of the year started badly, the directors state, with the national strike of port workers.

Turnover in the first six months came to £12.23m (£11.91m).

comment
Manchester Ship Canal's more than quadrupling in pre-tax

profits was almost entirely due to an £878,000 reduction in severance payments. Strip out property and investment income, and the profit from operations was down 9 per cent to £458,000 on a marginal increase in turnover. Margins have been squeezed by the effects of continued excess capacity in the ports business and a wage settlement considerably ahead of the inflation rate. Management and technical improvements in dred-

Murray Western Trust earnings up to £1.84m

NET ASSET value per ordinary and "B" ordinary 25p share of Murray Western Investment Trust fell by 1.8 per cent from 128.5p at the end of 1983 to 124.7p at June 30 1984. The figure however, was 0.5 per cent higher than a year earlier.

Gross revenue for the half year increased from £3.12m to £3.55m, while earnings were up from £1.03m to £1.84m, after tax of £1.36m, against £1.85m. Estimated earnings per share for the full year are 3p, against 1.9p for 1983.

In June, shareholders resolved that the company's name be changed to Murray International Investment Trust. At the same time, the directors outlined their future policy "growth in net asset value and a steadily rising income through an international portfolio largely based in the UK, U.S. and Japan."

Flextech moves ahead to £1.6m

AN INCREASE in pre-tax profits from £1.15m to £1.55m has been shown by Flextech for the year to the end of May 1984. Operating profits increased from £156,000 to £201,753 as a result of a 60 per cent increase in royalties receivable and interest on the £3m raised in a share issue last January.

This company which invests in energy-related businesses came to the UK last September. The directors said that no dividend would be paid "or the year under review. They pointed out that some of the new technology investments are start-ups carried in which the company was involved carried a high degree of financial risk.

Earnings per 10p share were shown as falling from 6.85p to 4.05p after taking into account the offer for sale last September, and before extraordinary charges of £547,000 this time, and after tax charges of £533,000 (£450,000).

The share of related companies earnings before tax was slightly below that of last year

at £250,322 against £291,122 but were struck after a substantial provision made by Colexip SA against work in progress.

The group's attributable share of this provision was equivalent to £206,171. The fact that Colexip SA's contribution was only 5 per cent below that of last year was due in part to the recovery in sales of sales achieved by that company.

Exploration and Production (Services) Holdings (Expro) also achieved record sales but competition in Expro's various markets reduced net margins and the contribution was slightly below that of last year. Expro incurred an extraordinary charge which mainly related to the reorganisation of Expro's share of this charge amounted to £288,084 and is included as an extraordinary charge.

Advanced Energy Dynamics Inc. in which the group has a 10.3 per cent interest is making progress in developing its coal cleaning equipment and it has been decided to increase the

Simmer and Jack Mines Limited

(Incorporated in the Republic of South Africa)
Interim Report
Report of Directors for the 6 months ended 30th June 1984
The unaudited results of the Company and its subsidiaries for the above period are as follows—

	6 months ended 30th June 1984	12 months ended 31st December 1983
Turnover	885	1,533
Royalties (See note)	—	—
Interest	98	895
Rents	267	581
Sundry income	20	57
Operating expenses	266	540
Net income before taxation	619	993
Taxation	308	452
Net income after taxation	311	541
Extraordinary items	64	1,399
Net income	375	1,940
Retained income at the beginning of the year	5659	3719
Retained income at 30th June 1984	6034	5659

Capital Expenditure
There were no commitments for capital expenditure.

Property
Land sales made prior to 31st December 1983, amounting to R4,236 million, which are subject to proclamation, have not been brought to account. Management's main efforts have been concentrated on endeavouring to expedite the proclamation of strategically situated portions of land for development within the Germiston municipal boundary.

Plans and bills of quantities for the proposed establishment of an industrial park on Erf 712 have been finalised and tender documents have been distributed to contractors. However, it will not be possible to commence building operations until the final approval of the incorporation of the Erf in Germiston Extension 4 has been approved by the Director of Local Government. Proclamation of Extensions 20 and 23 is anticipated before the year end.

SIMMERGO
The results for the six months period are as follows—

	6 months ended 30th June 1984	Year ended 31st December 1983
	Tons (000)	Tons (000)
Sand treated	89	129
Ore milled	36	55
Acid production	11	9
Gold production	663kgs	897kgs
	R'000	R'000
Revenue - Gold and Silver	10292	13196
Acid	458	347
Total	10747	13543
Cost of Sales	8855	12356
Operating profit	1892	1187
Net sundry income	61	34
Profit before taxation	1953	1221

Capital expenditure to 30th June 1984 amounted to R43,231 million. No royalty was payable to Simmer and Jack Mines Limited as the profit available after deduction of taxation was insufficient to recoup the initial capital expenditure.

Development

	Advance Metres	Metres	Channelled width	Sampled Gold
			cm	g/t
South Deep Shaft				cm g/t
6 months ended June 1984	1671	1076	195	1.74
6 months ended June 1984 (Payable)	—	172	215	4.25
Year ended December 1983	2428	1424	169	1.68
Year ended December 1983 (Payable)	—	488	142	3.08

Stopping
Stopping at the South Deep Shaft was suspended in February 1984 as it was decided to concentrate on increasing the rate of exploratory work. It is anticipated that this action should enable Simmergo to reach the position in October 1984 where it will have blocked sufficient ore reserves to permit it to restart stopping operations at a higher production level than that achieved at the beginning of the year.

A limited amount of ore in the form of "sweepings" is being recovered from the northern areas of the mine.

For and on behalf of the board
P. B. Gain (Chairman)
C. E. Dixon (Managing Director)
Share Transfer Secretaries:
Hill Samuel Registrars (S.A.) Limited,
101, Market Street,
Johannesburg 2001.

Registered Office:
Suite 1401, 14th Floor,
Standard Bank Centre,
78, Fox Street,
Johannesburg 2001.

London Registrars and Share Transfer Secretaries:
Hill Samuel Registrars Limited,
6, Greencoat Place, London SW1P 1PL.

10th August, 1984

Merchants Trust intends to concentrate on income

BY WILLIAM DAWKINS
The Merchants Trust, the biggest investment trust handled by Kleinwort Benson Investment Management, is the latest fund to announce a change in policy.

The group announced yesterday that it is to switch from its present objectives of maximising both income and capital growth to concentrate more on improving income.

Merchants currently yields 4.2 per cent, against an industry average of 3.3 per cent and anticipates that this will rise significantly over the next few years to about 7 per cent.

The announcement coincided with the publication of Merchants' results for the six months to July 31, which showed that net assets had fallen from £104.9m a year ago to £100.1m. It attributed the decline to the fact that it had sold dollars forward to hedge against a fall in value of the U.S. currency at a time when the dollar was rising to embark on its steep rise.

The interim dividend has been increased by 30 per cent to 1.3p and a final payment of 1.5p is anticipated—a rise of 15.7 per cent for the year. In the year commencing February 1985, Merchants is planning to pay a total dividend of 3.5p, an increase of 25 per cent.

Merchants says it will improve its income by building up holdings in recovery stocks. This will involve a reduction in its overseas investments, which at the end of July accounted for almost 53 per cent of the total. The group expects that about 60 per cent of its portfolio will be invested in the UK by next February.

Mr Martin Jacobson, the chairman, said the attraction of income to private shareholders had been increased recently by the abolition of investment surcharge and the reductions in other personal tax levels.

Gross revenue for the first six months rose from £2.9m to £3.5m.

COMPANY NEWS IN BRIEF

The annual general meeting of Premier Consolidated Oilfields is to be held on Thursday August 16 at the Institute of Chartered Accountants at 12 noon.

Although the education and academic market continues to be difficult, the board of Routledge & Kegan Paul, book publisher and distributor, expects that with the reorganisation effected so far and its plans for 1984-85, there should be a return to profitability—after interest and all other charges—and the basis secured for further growth.

As already known, pre-tax losses deepened from £38,221 to £245,595 in the year to March 31 1984, after charging exceptional debits of £286,460 (£49,600) which included £16,761 (£49,600) directors' compensation for loss of office.

NOTICE OF PURCHASE
BOWATER INDUSTRIES PLC
9% Bonds due 15th July 1985
NOTICE IS HEREBY GIVEN to bondholders that US \$1,250,000 nominal amount of the above issue was purchased by the market during the twelve month period to 15th July 1984 and applies in respect of the mandatory redemption instalment payable on that date.

Bowater Industries plc
Bowater House
Kingfisherbridge
London SW1X 7LR
August, 1984

ENERGY RESOURCES & SERVICES INCORPORATED
Net Asset Value
31st July 1984
\$6.57
per share (unaudited)

STOCKHOLDERS FAR EAST INVESTMENTS I.C.
Net Asset Value
31st July 1984
\$2.32
per share (unaudited)

STOCK CONVERSION

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Another successful year

Mr Robert Clark, MA, LLD, Chairman, reports another set of record results for the year ended 31 March 1984

	1984	1983
Pre-tax profit	up 19%	17,367
Profit after tax and minorities	up 25%	8,814
Profit retained	up 31%	5,935
Earnings per share	up 25%	16.84p
Dividend per share	up 16%	5.5p

Copies of the report and accounts may be obtained from the Secretary.
THE STOCK CONVERSION AND INVESTMENT TRUST plc
130 Jermyn Street, London SW1Y 4UP. 01-839 7861.

MINING NEWS

Impala boosts profit and payout

BY KENNETH MARSTON, MINING EDITOR
AS INDICATED by the interim results for South Africa's Impala Platinum Holdings has made a strong performance in the full year to June 30.

S. African black miners may strike over wages

THE POSSIBILITY of South Africa's first strike by black miners in the gold fields moved a step nearer yesterday when conciliation talks between the Chamber of Mines and the all-black National Union of Mineworkers (NUM) ended in deadlock.

Ok Tedi in trouble again

ANOTHER setback to gold production at the big Ok Tedi mine in Papua New Guinea is reported by Reuters from Port Moresby. Alleged bid to curtail environmental control have resulted in the PNG Government halting gold production at the new mine for the second time in two months.

Hydromet Mineral

Australia's Tuxax Resources has exchanged 37 1/2 per cent of its capital for a 25 per cent stake in the UK Hydromet Mineral group which has developed a new leaching process for the extraction of gold from sulphide ores.

Institutions pay £14m for stake in Data Recording Instrument

BY GUY DE JONQUERES
IN A £14m deal the British Technology Group has arranged to sell 65 per cent of computer equipment maker Data Recording Instrument to a group of UK institutional investors.

Coats Patons pays £13m in West German deal

BY WILLIAM CARNEY
Coats Patons, textile group, yesterday acquired Schachenmayer, Mann and Co GmbH, Salach, a West German manufacturer and distributor of hand-knitting yarns for DM 47.5m (£12.5m).

Lincroft forecasts over £1m

Lincroft Kilgour Group, the subject of a takeover bid by John Finlan, the building and development company, yesterday backed its defence with an optimistic profits forecast for the year ending September 1984 and the promise of a higher dividend.

BIDS AND DEALS

Chubb urges rejection of Racal bid

BY CHARLES BATCHELOR

Chubb & Sons, the lock and safe manufacturer, last night urged its shareholders to reject the £146m takeover bid from Racal, the defence and data communications company.

BOARD MEETINGS

Table listing board meetings for various companies including Blue Circle Industries, DRG, and others.

In a brief statement issued following a 15-minute meeting early yesterday between Mr William Randall, Chubb chairman, and his counterpart at Racal, Sir Ernest Harrison, Chubb said: "The offer clearly undervalues the company and fails to recognise its future prospects."

ing the lock maker, said Chubb wanted to know what would happen to the totality of the group, including its fire-fighting business, in a takeover and why no informal approach was made by Racal to the Chubb board before the public announcement of the bid was made.

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Cazenove & Co. 12 Tokenhouse Yard, London EC2R 7AN 14th August, 1984

BIDS AND DEALS IN BRIEF

George Williamson & Co. and Romal Tea Holdings have agreed terms for a recommended offer on behalf of the former to acquire the 20,454 ordinary shares in Romal that it does not already own.



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Table with columns: 1983-84, High/Low, Ass. Comp., Price, Gross Yield, Fully Paid, Actual Yield.

The Board of Management of Akzo N.V. announces that on August 13, 1984 the results for the 1st half year 1984 were published.

Copies of this report may be obtained from the London Paying Agents: Barclays Bank PLC, Securities Services Department, 54, Lombard Street, London EC3P 3AH

or at the offices of Akzo N.V., Velperweg 76, P.O. Box 188, 6800 LS Arnhem, The Netherlands



Arnhem, August 14, 1984

THE MANAGEMENT PAGE: Small Business

MCraven House marketing

Growing fat on fitness

BY DAVID HELLIER

AMONG 28,000 runners at the Paris half-marathon in October will be 15 people on a company outing.

Appropriately enough, Craven House Marketing has grown on the crest of the leisure boom, and when Michael Stearn first suggested the idea of doing a company run in Paris there was no shortage of takers.

"It's an opportunity for people who are low in the company to be on the same level as senior management," says Stearn, the company's joint managing director. "I'll be running as well and I'm sure I'll come last of our group."

Both Stearn and his partner, David Riley, never really intended getting into the health business. In fact, their earlier business interests make them sound anything like logical candidates and their current joint ownership of the Bull's Head, a 16th century public house in Guildford, Surrey, is equally incongruous.

The two partners struck up a friendship 10 years ago when they both worked in the record industry. They were visiting friends when Riley's brother introduced them to an exercise device which had been imported from Montreal. So convinced of its potential were they that the two partners flew to Canada and negotiated a UK licence for all of the Weider Company's products.

Weider, formed in 1937 by Joseph and Ben Weider and now a household name in the Canadian health and fitness market, publishes a body-building magazine, Muscle and Fitness, which ranks among the top 25 best-selling magazines in the U.S. Next year, Craven House will be publishing a magazine called Shape in the UK.

"We realised that the fitness market was not being catered for by major companies," says Stearn. "Ten years ago, anyone seen jogging at the age of 40 would have been called crazy. Now people have become more active and want to keep it."

Stearn says he is no health fanatic, although he's no stranger to a squash court or running track. Headling a company that distributes health equipment and vitamin tablets—it sponsors Ade Mafe, Britain's dynamic 200 metre



Ade Mafe, Britain's 17-year-old Olympic finalist, who is sponsored by Craven House Marketing

runner—has not changed his life-style dramatically, and he still drinks the odd gin and tonic.

"However, it would be bad if I smoked 60 a day and had a great punch," he says. There is no danger of that. Tall and sleek, Stearn presents the right image without even trying.

One of Craven House's latest products is a rowing machine, which it took from Black and Decker when it decided to pull out of the health market. The rowing machine, as well as a new range of exercise equipment for women, are examples of the way in which Craven House has extended its range of products and moved away from the strict body-building image, although pictures of grotesque muscle-men and women still adorn some of the company's catalogues.

Most of the company's equipment products are sold by mail order, although there are now five Weider shops around the country. These will be complemented by a further 10 or 20 over the next three years.

Convinced that the leisure industry has benefited from a permanent change in the nation's habits, Craven House is

shaping up for expansion. Having recently moved to new headquarters in Godalming, Surrey, the next step is an assault on the European market and a possible move on to the Unlisted Securities Market.

"Rather than take a big risk, we began Craven House in 1974 with no real capital and borrowing to finance our growth over the years. However, we are sure the fitness industry has huge growth potential, and to ensure we make the most of it we are now investing heavily in our future," says David Riley.

Turnover is set to top £5m this year, with about 10 per cent coming from sales of Weider Activity Foods, a range of food supplements for athletes. About 30 products are available, anything from the Good Life Eggs Pack to the Dynamic Body Shaper.

"The body's like a motorcar," says Stearn. "If you put the wrong fuel in, it does not work very well. We're offering people a range of food products to help them get out their particular needs." Sales of food supplements are expected to grow to 40 per cent of the company's business within three years.

A pleasing trend is that more and more of the company's products are being manufactured in the UK. Three years ago, 80 per cent of the range was manufactured elsewhere. This has changed. The rowing machine, for example, will be made at four factories for the blind and disabled in Bradford, and two companies in Greater Manchester now produce a range of concrete-filled Vinyl weights.

"There's a lot more control over quality and delivery if you have things manufactured in the UK," says Stearn, who says the strength of the dollar has made UK prices more competitive.

The move into the European market provides the next step, and Stearn and Riley are confident the Weider name will be a hit. One of the promotional stunts will be at the run in Paris where all the company's team will be wearing Weider clothing.

Although Stearn may not get Paris alight with his running, he may yet make an impact on the European fitness scene.

In brief...

A BRIEF but useful outline guide to the nine approved Business Expansion Scheme funds still available to private investors this month has been compiled by investment consultant John Harrison. Most of these have extended their original closing date in the hope that they can raise more money when the summer holidays are over. Harrison, who has kept a close eye on the BES, reports that £37.93m of the £42.35m raised by funds in 1983-84 (including Electra Risk Capital 11) was invested by April 5 in a total of 163 companies (29 of the deals were syndicated between two or more of the 24 funds). The guide is available from Investment and Tax Planning Services, 7 Royal Lane, London NW1 7TL. Price £2.00 (inc UK postage).

EFFORTS to boost trade between large and small firms in Lincolnshire and South Humbershire will be made at a seminar in Lincoln next month. "There are many instances where larger companies are importing goods or services which are available locally," says Mark Piercy, chairman of the Institute of Purchasing and Supply's Lincolnshire branch which, along with the local chamber of commerce, is

'Outlook for small firms is good,' says CBI

SMALL FIRMS' business confidence continued to improve over the last four months — albeit at a reduced rate — accord a survey by the Confederation of British Industry. The July poll of 883 small manufacturing firms (defined as those with less than 200 employees) showed that 29 per cent of respondents were more optimistic about the general outlook, 58 per cent saw no change, with 19 per cent more gloomy than four months ago.

By contrast, the results of the CBI survey last month for all firms, showed that on average respondents were less optimistic than last time. At that time, however, they were not aware of the ending of the Dock Strike.

Other points to emerge from the disaggregated results of smaller firms are an increase in the volume of new orders over the last

sponsoring the event. Details from Jack Fryer on Lincoln 25212.

THE Small Business Research Trust, a charitable organisation established last year to undertake independent research, is undertaking a study of the Business Expansion Scheme. It is particularly interested in uses of the BES besides managed funds — notably through clearing houses which have brought together companies and investors — and members of informal groups who have helped businesses on an individual basis. Contact the Small Business Research Trust, 3 Dean Trench Street, London SW1P 3BB. Tel: 01-222 4684.

THE Greater London Council and Hackney, Haringey, Islington and Tower Hamlets, sponsoring authorities of London's 1984 Trade & Industry Exhibition—have, along with the organisers, arranged a series of free seminars for exhibitors and visitors to the event next month. Subjects to be covered include benefiting from London's tourist trade, selling to Government and local authorities, obtaining finance, clothing technology, and winning new customers by direct mail. Contact Hackney Business Promotion Centre, 45 Great Eastern Street, London EC2A 3EP. Tel: 01-739 9606.

U.S. venture capital

Transatlantic traumas

Alan Patricof talks to Tim Dickson



Alan Patricof: "a lot better"

IN ONE WAY at least Alan Patricof's five week "sabbatical" in London could not have been better timed. "August here is a lot busier than I'd been led to expect," observes the 49-year-old president of Alan Patricof Associates of New York, "but it sure is more relaxing than being in the United States at the moment."

Patricof, who heads one of the top 10 venture capital firms in North America, with more than \$200m of funds under management, has temporarily swapped jobs with Ronald Cohen, executive chairman of APA's UK controlled sister operation.

The change of scene has allowed him time for a little reflection on the dramatic switch this year in U.S. investor sentiment towards high technology businesses, and on whether the UK will follow suit.

Prices of "high tech" stocks traded on over the counter markets have plunged spectacularly, — Diasonics, Televideo, Maastor and Fortune Systems to name but four; the flow of new issues to the secondary markets has slowed to a trickle; and there has been a ruthless pruning of the sort of fancy valuations which were placed on unquoted companies seeking to start up and development finance from venture capital funds and investment bankers.

Many fingers have been badly burnt, and because of the slow pace of underwriting activity so far this year Hambrecht and Quist, the East Coast investment banking firm, last week announced a 5 per cent cutback in its technology-orientated staff.

So far at any rate the UK market appears surprisingly isolated from this carnage. UK financial institutions still appear keen to back UK orientated venture capital funds (APA in London has itself just raised a record \$30m in a recent offering), prices on the Unlisted Securities Market and over the counter markets remain steady, and despite persistent talk of "silly" prices being paid by some venture capital and Business Expansion Scheme funds most managers seem happy to continue riding the bandwagon.

Patricof, however, is not alone in believing that current U.S. experience may be a

harbinger of things to come in the UK.

"It's been pretty indiscriminate," says Patricof, "but those companies which have turned in poor results and have disappointed their followers but businesses which have done everything they promised have also been dragged down."

To illustrate the point he cites the case of Mosaic Technologies, started 18 months ago which has just negotiated a \$10m "second round" financing with APA and others to spur development of its engineering work stations for the computer industry. "The company has done everything so far that we asked of it and yet we are investing the new money at the same price as we paid for our original investment a year ago. A few months back we would have been talking about a fourfold increase in valuation for a business at this stage of development, but today discounts on earlier prices are not uncommon."

Patricof believes that the recent setback has been inevitable. "In 1982 and 1983 prices got out of line. People believed that every start-up could be refinanced at a higher and higher valuation and they got carried along in the heated frenzy. A lot of companies got fresh funds which shouldn't have and start-ups which didn't deserve support got backing."

But Patricof believes the tide may now be beginning to turn. With other investors steering clear of high tech stocks and those companies that do slip through the minefield to a

public listing having to accept much lower ratings, he argues that the venture capital industry — which last year attracted a record \$4bn of funds — is well placed to pick up some excellent deals. "Now is the time to invest," he concludes, "and being that you're the last 30 days APA's new \$140m, Excelsior Fund II has committed \$6m to four companies, two of them new investments and two "follow-ons" for existing portfolio companies.

This comes after three months which Patricof describes as the best he can remember in 15 years, as companies previously contemplating a public listing or turned away by the smaller funds, have approached the larger venture capital firms for further support.

Like APA until this month, however, "the venture capitalists," he says, "have been putting money out sparingly. They have been concentrating mainly on companies already in their portfolios rather than new ones coming in the door for the first time.

"There is a lot of good house-keeping—perhaps some house cleaning going on at the moment. But with those who have failed to achieve their early objectives venture capitalists are being merciless in their reprimand."

Patricof is clearly confident that the high technology stocks will swing back into high fashion, but he does not see a real resurgence in the new issue and venture capital markets until next year.

As for the UK, which he knows well from frequent visits, he believes valuations have got on the high side and have got ahead of themselves. They seem to bear little relation to earnings and dividends. It may be heretical for a venture capitalist, but he claims, "Occasionally you see someone who thinks big, thinks creatively and thinks aggressively. What I like to see is a business plan projecting profits of \$50m in year three, not just \$20m."

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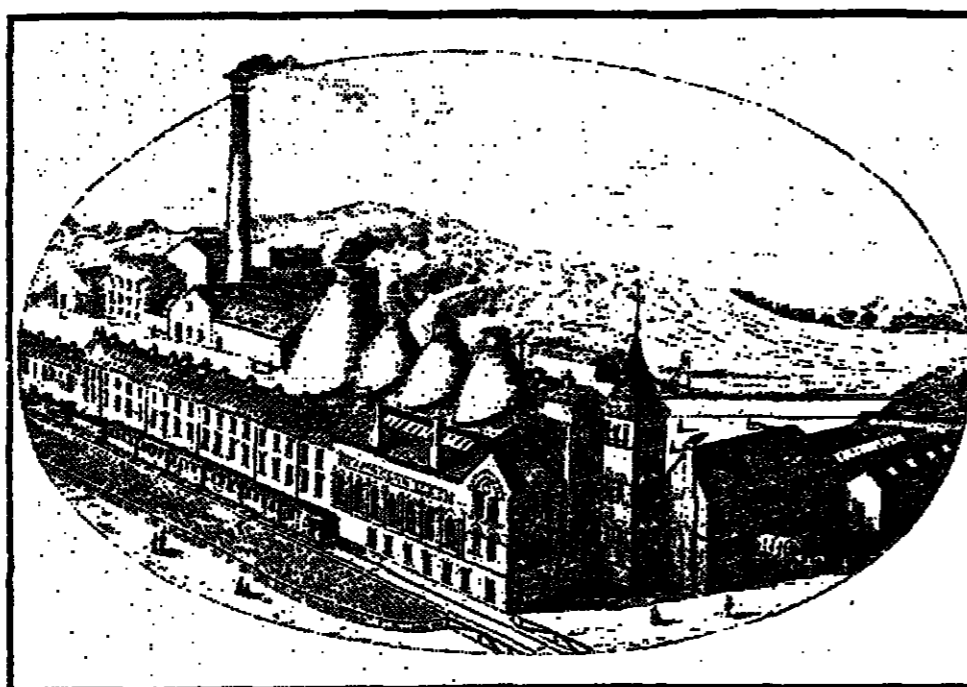
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THE ARTS

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The latest venture at that neglected museum from bridge Gorge in Shropshire sees the wheel turn full circle. The efforts of the Jackfield Tiles Works will go to help fund expansion and further museum activities. It all has a certain nice symmetry. Taking the name, Jackfield, from the location, the Ironbridge Gorge Museum Trust has bought the disused premises of two ceramic tile manufacturers, Maws and Craven Durnall, and turned them back into commercial production — doubling the museum and a workshop. What is most remarkable is that this represents the consolidation of an MSC scheme into a viable business, apparently the first such initiative.



The site of the Jackfield Tiles Works: a model museum

In fact it is sufficiently notable to have been honoured with a mention in Hansard on July 26. A motion tabled by four local MPs congratulated the museum. "In being the first employee in Great Britain to convert a former young persons' MSC training workshop at Jackfield into a commercial company with real jobs and for having the necessary vision, in the tradition of Abraham Darby, to make such use of their opportunities in this particular field whilst providing an educational and recreational activity which is open to the public."

for designs from some of the most important artists and architects of the later 19th century—Walter Crane, Alfred Waterhouse, Charles Voysey and Frank Matcham amongst others. It became difficult to think of a subject matter of medium that had not been applied to tiles. Nor did the fashion wane: tiles merely reflected the styles of the moment, from Victorian naturalism to art nouveau stylisation, from graphic realism to 1930s art deco patterns. Ceramic tiles were used for fireplaces and shop counters even if they no longer covered the walls quite to the extent they had done formerly. Craven Durnall closed in 1952 whilst Maws were taken over in the late 1960s

when operations moved to Stoke. The exhibition "Tiles in Kaleidoscope" which is showing in the m/n hall of the Jackfield works sketches in this history. There is also a small selection of tile and art pottery (or hollow-ware) to be bought; so far it is available only through the museum's own shops around Ironbridge, but there alone it brings in a healthy £2,000 a month. Jackfield has come to life at an entirely appropriate moment. It coincides with rising public demand and appreciation of period features. Anyone with a later Victorian or Edwardian house in more or less original condition is bound to have a few tiles around, and many

people now want to replace those broken or lost. Equally, architectural renovation, to authentic standards, of pubs or theatres—for example—gives a small, flexible company an inexhaustible market. The Jackfield Works is at the moment carrying out an order for the National Trust at Knightthaves Court in Devon, matching William Burges' tiles, and the company recently cleaned and repaired the tiles in Harrods' Food Halls. Items such as ceramic dados and mouldings which have been hitherto well-nigh impossible to find, are also included in the range. Next plans are to excavate and then rebuild one of the bottle furnaces (for exhibition

purpose the kilns are now electric and inconspicuous), to renovate the church-like drawing office as a lecture theatre (potentially a very popular facility here in view of the growth of interest in design history) and to expand the displays. Growth of the company will have to be taken in careful stages: at the moment it employs 12 permanent staff, from the original 40 on the MSC scheme, which began in 1980. As a museum Jackfield has various objectives. It is the dual attraction of seeing objects, and how they are made, in contemporary conditions that takes this museum into a new area. Director Tony Herbert sees the enterprise having potential in the field of contemporary design, too—he envisages a time when they will produce original modern work as well as reproducing from the old moulds and patterns. The intention is that the works will contribute to overall museum funding: the original capital costs of setting up have been met from a variety of sources; £35,000 came as a loan from the Architectural Heritage Fund. Equipment, in particular the kilns, was bought back at cost from the MSC.

In recent years it has begun to seem as if museums were everywhere—a kind of creeping mummification of the past, which itself is getting closer all the time. Despite the often lively and interesting efforts to display and teach of past practices, in agriculture, industry, domestic life and much else, it is becoming slightly tedious. Staring into our own navels is a national obsession. Jackfield is a gust of fresh air. With its dual objective of providing satisfying employment and that of illustrating the public, the Jackfield Works reinforces the claim of the Ironbridge Gorge Museum to be a "living museum." It is a venture as much of the 1990s as the 1800s, and a museum world a first class model.

GILLIAN DARLEY

The Thrie Estaites/Edinburgh Festival

B. A. Young



John Grieve (left) and Gregor Fisher

Are satire of the Thrie Estaites a perennial favourite in Edinburgh. It was done at the festival in 1948, 1949, 1951 and 1959, and again in a new version in 1973. The need for a "version" comes from its having been written in Old Scots by Sir David Lindsay in 1540, as a Twelfth Night entertainment for King James V. This year's version is that of 1948, made by Robert Kemp, a good deal reduced from the original, with incidental music by Cedric Thorpe Davie in the manner of Vaughan Williams.

As mounted in the Kirk Assembly Hall under Tom Fleming's direction, the evening begins with the entry of a big chorus that settles upstage in three sections, the titular estates—Lords and Merchants on either side and the richly-attired Church in the middle. Before them, on the undecorated stage that the audience surrounds on three sides, the story is enacted. It is a morality, people with characters named for the qualities they stand for—Diligence, Flatterie, Spiritualite and so on.

The Scots 16th century verse isn't easy for a Sassenach to follow. What is delivered in the aristocratic tones of David Rintoul as the King, or Robert Urquhart as Divine Correction (a foretaste of John Knox, then a young man) it is comparatively easy when it is sung by Scottie (Caroline Keartney). It is exquisite, and in any case, the action makes clear anything the words won't. There is some good clowning by Vices in the 16th century spirit.

John the Common-Weal (Alex Heggie), the spokesman for the poor and against the Church, whose dignities, poor Bishop Coler, Gourkay and Abbot Andrew, Crutchebank, are stripped to their undies, incidentally revealing the Priorress (Juliet Cadzow) as a scabbed woman under her habit. Two of the Vices are hanged and remain hanging after we have all left. The third Vice, Flatterie (Walter Carr), is allowed to escape through some apparent carelessness on the part of Divine Correction, though probably not on the part of Sir David Lindsay, who had a pearly sense of humour and knew what he was doing.

Playing Shakespeare/Channel 4

Michael Coveney

Channel 4 has now transmitted three episodes of *Playing Shakespeare* in a series of nine, and the most remarkable aspect of a generally remarkable project is the emergence of John Barton, Royal Shakespeare Company director and chairman of the proceedings, as a television star.

Barton then topped this understudy explication with a wonderful delivery of a speech of the French King in *Henry V*. An Impressed Roger Bees compared this mouth-watering performance to a fruitcake stuffed with all manner of delicious ingredients. Myself I wondered why on earth other RSC directors had not cast Barton in their productions these past 20 years.

Tales are legion of Barton falling backwards off the stage with his hands stuffed deep in his cardigan pockets while giving notes to the actors. His eccentricity proves to be the most amiable variety. So far he has sported the same baggy cardigan and the same tie—I have never seen his wear any other style—which is designed in mid-1960s horizontal chunks and ends abruptly where a healthy protuberant stomach begins.

His eyes are watery with the zealous enthusiasm of the born teacher, his manner tactful and accommodating without a trace of smarmy deference towards either us or his colleagues. And he has a superbly unforged relationship with the camera.

Once the viewer overcomes the inevitable embarrassment of seeing actors pretending to be natural—Sheila Hancock, Lisa Harrow and Mike Gwyllm are the chief offenders so far; Ian McKellen and Ben Kingsley just about get by on their natural wit; David Suchet is easily the best—he will be rivaled by the level of discussion, at once pragmatic and informed, that Barton and co are serving up.

On Sunday we learned something of Shakespearean pronunciation, not out of any desire to re-create it for its own sake, but as a means to understanding. Barton pointed out that a diphthong should be given, as in most poetry, the weight of two vowels; that Shakespeare's use of anaphora was crucial to his poetic temperament; that Eliza-

bethan actors sounded more like Americans than RADA-accented English actors—the authentic Shakespearean sound, in fact, could be imagined as the blend of American, West Country and Irish.

The book of the series, written by Barton and published by Methuen at £9.95 (paperback £4.95), is a fascinating volume but no substitute for the programmes. My eye has wandered, however, to a marvellous chapter (to be screened later on) about the contrasting approaches to Shylock adopted by David Suchet and Patrick Stewart, both of whom played the role under Barton's direction.

The book will have value, certainly, as a stock of practical aperçus on some of the plays with which Barton has been particularly associated: *The Merchant* (perhaps his most cited text), *Troilus* and, of course, *Henry V*. But the RSC and its director, who has established the RSC as one of the world's great companies.

In a forward to the book, Trevor Nunn pays just and touching tribute to this quiet, unassuming, unflinching guru of the British theatre. "The fame, you know, will do nothing whatsoever to spoil him."

'Butley' revived in West End

Simon Gray's 1971 play *Butley* opens at the Fortune Theatre on August 15 for a limited season. John Nettles will play the title role and Jeff Rawley will play the part of Joseph Keystone. The production is directed by Phillip Groot.

Montepulciano Festival

William Weaver

Few critics have had a kind word for Puccini's second opera, *Edgar*, and even the composer himself, in the later years of his fame, said disparaging things about it. Still he tinkered with it, off and on, for almost a 20-year period. And Toscanini conducted the funeral march from *Edgar* at the composer's funeral in Milan in 1924. In recent years, a few scattered performances of the opera (usually in the final, three-act version) have confirmed the richness of the score.

The Montepulciano festival—or workshop, as it prefers to be called—recently staged *Edgar* as part of its ninth edition. Though the staging by Lorenzo Mariani was not particularly imaginative (in fact, it had some moments of near-hilarity, especially when the evil Tigrana was involved), the piece proved not only a constant musical pleasure, but also a workable, if difficult theatre creation.

This larger-than-life fable was hardly ideal for the cramped stage of the Teatro Poliziano; and the small size of the hall posed a problem for the orchestra and singers, who were often simply too loud. For the rest, the orchestra was excellent. Put together for the occasion, it played with remarkable fusion; the strings were mellow but precise; the winds (who were often exposed) were lyrical. Jaz Latham-Koenig conducted without flashiness.

Of the singers the most interesting and enjoyable was the baritone Gianluigi Senici, who sang the ungrateful role of Frank. He has a warm, supple voice, an engaging manner, and usually clear enunciation. Zsuzsanna Denes, the Hungarian soprano who sang *Fidelia*, is considered a rising star in her own country; and she certainly is promising, though the voice is not always under full control. After a rather colourless start, she sang her two last-act arias with impassioned conviction.

Kronos Quartet/Reform Club

Dominic Gill

Adrian Jack's experimental music series *MusICA* ventured from Nash House last weekend on the wings of *Diners Club International* to visit still more august premises at the Ritz Ball Mall. The move was an event in itself: never in the history of the Reform Club (the porter suggested, albeit differently expressed) have so many been jeaned and dressed in a people's leather-bound, armchained somnolence of its library been so bizarrely disturbed.

MusICA's guests were the Kronos Quartet from America, like our own Arditi, a string quartet who specialise chiefly in new and 20th-century works. Their first programme on Saturday had the merit of variety: a sweet-natured and exceptionally pretty sequence of permutations by Terry Riley called *Sunrise of the Planetary Dream Collector*, short and stractive. Pauline Oliveros's *The Wheel of Time* was longer—but the length, like the effect, is indeterminate. I was, in a curious way (although I might just as well not have been) content to sit and listen to the little meshes of notes as they came and went, accompanied by an electronic drone which sounded, sometimes, like cicadas, and to the creaking sounds of those around me getting restless.

John Cage's *Thirty Pieces for String Quartet* are permissiveness sublime: a coincidence of four string solos, arranged, or disarranged, for an hour or so—or two, or three—with perfect, impregnable confidence. Cage calls them "earthquake-proof," and that is certainly what they are.

Nothing on earth, however, except perhaps John Cage's is proof against Morton Feldman—whose second string quartet the Kronos played the following evening. The first thing to be said about Feldman's second quartet is that it is extremely quiet and takes place mainly on the fringes of audibility; second, that it lasts for four hours. There are about 14 other things that can be said about it; but my tolerance for very long and very quiet and very pretentious pieces is not high.

Britten's Dream/Glyndebourne

David Murray

When Max Loppert reported here on *A Midsummer Night's Dream*, week before last, the opera was conducted by Glyndebourne's Musical Director Bernard Haitink. Since Sunday, and until the Festival season ends this Friday, Jane Glover has taken his place.

Replacing a distinguished conductor in mid-run is generally a thankless task. The orchestral interpretation has been polished, and the singers are counting upon everything to continue as before; the new director in the pit has small chance of making a new mark. In this instance there hasn't even been an alteration in the excellent cast. But Miss Glover unfolded the music with continuous conviction, and that is something that goes beyond faithful copying. Britten's score is by no means self-propelling; the many small interludes that stud the episodic action are evocative or ruminative, but never urgent.

In these circumstances a dropped stitch, a pause or a cadence allowed to linger too long, or a forward step taken to precipitate, can spoil the dramatic fabric; the only insurance is intelligent instinct. Miss Glover let nothing slip, nor was the delicate balance between orchestra and voices ever compromised. The performance wove its spell steadily, much as Loppert described it.

In a spoken action there is room to expand their characters earlier, whereas a composer has to fix his timings and proportions for all. The love-borne lovers—Jill Guban, Ryland Davies, Cynthia Suchan and Dale Duesing—offer plenty of vocal character, to the great benefit of the Act 2 quartet (where the music is newly impressed by the lively cogency of their music); but it is difficult to float the Act 3 quartet, visionary and selfless, on such robustly particular voices.

Puck, in the tiny person and ripe local accent of nine-year-old Jamie Gates, has learned to make rather more of his words as the run has proceeded. Whether it was wise to cast a natural but non-acrobatic imp as Puck remains doubtful; without the appropriate capering, Britten's high, chattering trumpet doesn't attach itself to the character. The scene of his chastisement by Oberon is played down, its curious—but very Britten-ish—cruelty neutralised by moments of sadistic brutality to the young are ordinarily prevalent in Britten's operas, not only in the obvious contexts like *Grimes*, *Turn of the Screw*, *Burning Bird*, *Turn of Mind* and *Billy Budd*, but even in *Albert Herring* and here in *Dream*.

Cape and Islands Festival/Cape Cod

Frank Lipsius

It is understandable that any American but a New Yorker would holiday on a musical cruise or at a music festival. New Yorkers should be able to live two months without their concerts and dances considering what they have the rest of the year.

But it is the New Yorkers who take their music—and their theatre and dance—with them on holiday. North-east America from Ontario to Connecticut is a cluster of cultural festivals from those like the O'Neill Theatre Centre, which had participants this year from the Soviet Union and China, to those made up of a few neighbours performing together.

The Cape and Islands Chamber Music Festival, now celebrating its fifth season, exemplifies the neighbourhood approach writ large. It draws on musicians invited to Cape Cod by the collaborative pianist, Samuel Sanders, who performs regularly with Itzhak Perlman and Pinchas Zukerman. This year's group includes cellist Nathaniel Rosen, soprano Lucy Shelton and violinist Karen Dreyfus.

Esra Laderman, made the composer-in-residence because he already resides in the area, will have two weeks performed, while 16-year-old violinist Joshua Bell is this year's prodigy in a new programme that allows a "close contact with other musicians [who can] teach the communicative and social aspects of music, and that can be fun," noted Sanders, who teaches at the Juilliard School in New York round his summers as artistic director at the Cape and Islands Festival.

The nine concerts in the three-week programme started on Saturday in the First Congregationalist Church in Wellfleet, before moving on to Nantucket and Yarmouth among five separate Cape Cod towns.

The concerts take place in local Congregationalist churches. The three programmes match Mozart, Mendels and Schubert in the first week with Villa-Lobos, Laderman (Songs for Eve) and Brahms in the second, followed by Mozart, Webern, Martinu, Laderman (Oboe Quartet) and Beethoven in the third week. A special children's concert takes place in Yarmouth Port on August 21.

The O'Neill Centre in Waterford, Connecticut, shows the degree to which a festival can be like a busman's holiday. Nearly two dozen new plays get as professional a production as four days will allow. Sets are modular units clamped together with wires. Actors and directors come from New York as veterans of the repertory theatres like the Circle Rep or the defunct BAM Company in Brooklyn. The centre also has a strong tie to the Yale Drama School, since the artistic director Lloyd Richards is dean of the school and head of its repertory theatre.

A Critics Institute functions alongside the playwrights. A dozen newspaper critics from as far away as Australia practise overnight reviews, with supervision supplied by a number of rotating senior fellows.

New York City Opera

Andrew Porter

The New York City Opera's 1984 season runs for 20 weeks, from July to November. (A week is devoted to *Candide*, a week to *The Mikado*, and two weeks to *Les Troyens*.) On the first three days of the season, five operas were given, three of them by Puccini. Opening night was a depressing new production of *Il barbiere*, by Toby Robertson. The plot turns on entrance into and escape from a close-guarded house. In this version (with hideous decor by Lloyd Evans), ladders lead to Rosina's balcony, and both Almaviva and Fiorella have charged through the house before ever Rosina appears at her casement. Figaro begins "Largo al factotum" inside the house and makes his entrance down the ladder. It was not a comedy of character and intrigue but an any-old-jokes affair; the broader the better.

Barbato was a laboratory in his *Les Troyens*, in the calm, airy's "colpo di cannone," retorts exploded and a skeleton began to wobble. Recitatives were slowly and heavily sung (in Italian), and so were most of the numbers, though Judith Forst was an able Rosina, and his entrance down the ladder. It was not a comedy of character and intrigue but an any-old-jokes affair; the broader the better.

For the first time this year, groups from a number of other countries were invited to participate. The Venezuelans thought the requirement was an unfinished play and so arrived empty-handed, but their contribution, *Jay y Jos* by Jose Simon Escalona, who performs it with Jose Manuel Pozo, was a great success.

More unattractive Evans scenery later in the week, when his 1981 *Traviata* sets were redisplayed to hold a new production by Corsaro. Violetta and Flora have swapped houses, successfully, but the basic design, with rostrum right and left, suggests furniture displays in a shop rather than real rooms that people live in. The show foundered on the unforgiving, insensitive conducting of Klaus Weisse, music director of the Kiel Opera. Marianna Christos was evidently nervous and ill-at-ease, but she gave promise of a beautiful performance. She is a vivid and passionate artist with a well-schooled and lustrous soprano. "Sempre libera"—the first verse sung with reckless determination; the second (after Alfredo's declaration "has drifted in to her") as if with a breaking heart—was uncommonly moving.

There was yet another good young tenor, Robert Grayson, with a light, fresh-sounding, well-focused voice... Barbato and Butterfly were conducted by Christopher Keene, both carefully; but the former lacked gaiety, and the latter emotion.

All these shows (except for the *Filates*) were—by Americans, to the Americans—sung in Italian, while on a groove above the proscenium "superscripts"—tags of English translation or free paraphrases of such lines as Alfredo's "Mille serpi divorami il petto" (literally "A thousand serpents devour my bosom")—were projected.

Arts Guide

Aug 10-16

Opera and Ballet

NEW YORK

New York City Opera (New York State Theatre): The company's 44th season continues with *La Traviata*, directed by Frank Corsaro, conducted by Klaus Weisse with Marianna Christos singing Violetta and Robert Grayson singing Alfredo, as well as Carmen and Madame Butterfly. Lincoln Centre (870 5570).

Royal Festival Hall: London Festival Ballet season continues. (228 3191).

LONDON

Hamburg, Staatsoper: The new season opens with *La Traviata* perfectly cast with Edita Gruberova and Franco Bonifant. The Magic Flute is of respectable standard with Carla del Re as Queen of the Night and Kurt Moll outstanding as Sarastro. It is conducted by Klaus Peter Seibel. Der Freischütz, a Götz Friedrich production, is steered to triumph by Walter Felsenstein in the part of Max. This week's highlight is *La Bohème* starring Mirella Freni and Neil Shicoff.

WASHINGTON

John Curry (Opera House): For the first time, the Opera House will be covered in ice for the John Curry Company, including Dorothy Hamill, Jo Jo Starbuck and David Sanzel, skating ballets by Twyla Tharp. Pierre Boulez and Peter Martins. Ends Aug 18. Kennedy Centre (254 3770).

SALZBURG FESTIVAL

The Magic Flute conducted by James Levine with Isabella Cotrubas, Ingrid Mayr, Ann Murray, Walter Berry, William Lewis, Kurt Rydl, Peter Schreyer, Marti Talvela, the Vienna Philharmonic and the Vienna State Opera Choir. Tue at the Riding School Hall.

Musical Theatre

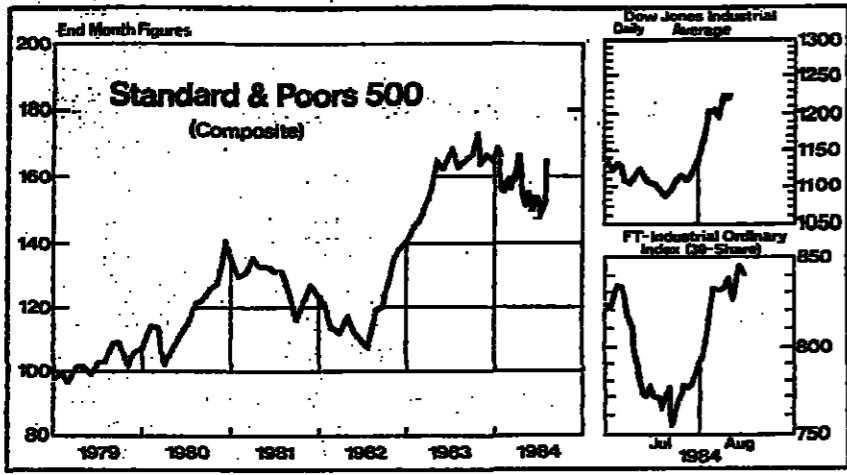
Macbeth conducted by Riccardo Chailly with Ghena Dimitrova, Margarita Litova, Piero Coppucci, Nicolai Ghisurav with the Vienna Philharmonic. Vienna State Opera Choir. Mon in the Large Festival Hall.

WEST GERMANY

Hamburg, Staatsoper: The new season opens with *La Traviata* perfectly cast with Edita Gruberova and Franco Bonifant. The Magic Flute is of respectable standard with Carla del Re as Queen of the Night and Kurt Moll outstanding as Sarastro. It is conducted by Klaus Peter Seibel. Der Freischütz, a Götz Friedrich production, is steered to triumph by Walter Felsenstein in the part of Max. This week's highlight is *La Bohème* starring Mirella Freni and Neil Shicoff.

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KEY MARKET MONITORS



STOCK MARKET INDICES			
NEW YORK	Aug. 13	Previous	Year ago
DJ Industrials	1,216.43	1,218.08	1,182.83
DJ Transport	518.15	519.54	539.82
DJ Utilities	128.08	128.37	127.94
S&P Composite	165.44	165.42	162.16

CURRENCIES			
U.S. DOLLAR			
(London)	Aug 13	Previous	Aug 13
DM	2.914	2.8775	3.8075
Yen	244.05	242.55	318.5
FFr	6.9425	6.865	11.8625
SFr	2.45	2.441	3.2
Guilder	3.285	3.2635	4.28
Lira	1792.0	1785.0	2340.0
BP	58.925	58.535	76.85
CS	1.30925	1.30775	1.7045

INTEREST RATES			
Euro-currencies			
(3-month offered rate)	Aug 13	Prev	
£	10 3/4	11%	
SFr	4%	4%	
DM	5%	5%	
FFr	11%	11%	

U.S. BONDS			
Treasury			
	Aug 13	Prev	
12% 1986	100 1/2	124.3	100 1/2
13% 1991	104 1/2	127.7	104 1/2
13% 1994	99 1/2	127.5	100 1/2
13% 2014	99 1/2	125.4	100 1/2

FINANCIAL FUTURES			
CHICAGO			
	Latest	High	Low
9% Treasury Bonds (CBT)			
Sept	65-11	65-17	65-03
U.S. Treasury Bills (TBM)			
Sept	89.57	89.58	89.51

COMMODITIES			
(London)			
	Aug 13	Prev	
Silver (spot fixing)	580.20p	597.60p	
Copper (cash)	£1,015.00	£1,024.50	
Coffee (Sept)	£2,318.00	£2,336.50	
Oil (spot Arabian light)	\$27.70	\$27.77	

WALL STREET

Sentiment turns less assured

Sentiment on Wall Street looked a little less sure of itself yesterday, with the bond market nervously awaiting the week's batch of economic data, which will provide further evidence of the pace of the U.S. economy, while stock market turnover fell back to more normal levels as the institutions stayed on the sidelines, writes Terry Byland in New York.

At the close the Dow Jones industrial average was up 1.99 at 1,220.08.

Falls of more than half a point at the long end of the bond market reflected new doubts over the outlook for interest rates. Dr Henry Kaufman of Salomon Bros was among those to warn that the dip in bond yields over the past month, together with the substantial recovery in stock market prices, could stimulate economic growth.

U.S. corporations have hurried to take advantage of the decline in yields by registering shelf debt issues. Yesterday, Chevron came to the market with \$1bn in three-year notes, and both Ford and General Motors have registered shelf issues of a similar size.

The bond market also remained unsettled by the Senate's action on Friday to thwart plans by some market firms to offer in bearer form securities backed by Treasury bonds - a strategy for overcoming the Treasury's reluctance to issue bearer securities to non-U.S. investors.

In the stock market, a session of profit-taking was not unexpected and confidence held steady. The Dow average rallied after falling nearly 10 points by noon. But the American Stock Exchange, the market for a broad range of second-line issues, lost Friday's gain.

Among the stock market leaders to rally from a dull start were IBM, only 3/4 down at \$121; General Electric, 3/4 off at \$57 1/2; and Merck, down 3/4 at \$88 1/2.

The one depressed sector was again the airlines, where last week's moves towards fare-cutting on domestic routes continued to bring the sellers out. AMR (American Airlines) gave up \$1 to \$26 1/2. UAL, however, recouped an initial dip of 3/4 to trade unchanged.

The fall in the Dow transportation average was compounded by further profit-taking in the rail stocks. Union Pacific fell 3/4 to \$41 1/2, and Norfolk Southern 3/4 to \$56 1/2.

Oil shares were still unsettled by the uncertainty hanging over world crude prices. At \$40 1/2, Exxon dipped 3/4 and Atlantic Richfield gave up 3/4 to \$46.

But stocks in the Wall Street brokerage houses continued to move ahead, with Merrill Lynch putting on 3/4 to \$31 1/2. Elsewhere in the finance area, Financial Corporation of America, the largest U.S. thrift group, fell 1/4 to \$8 1/4 after the board disclosed that deposits showed a net outflow in July.

The bid front was much quieter, but produced one feature in SCA Services, the waste management group, which jumped 3 1/2 to \$22 1/2, awaiting the board's announcement following news that four major companies are interested in bidding.

In the credit markets, short-term rates remained very firm behind a federal funds rate hovering around 11 1/2 per cent. The firmness of the funds rate over the past month has failed to bring any significant help to market liquidity from the Federal Reserve, confirming the market's belief that the Fed is willing to see the funds trade at 11 1/2 per cent and higher.

EUROPE

Strength fails to be sustained

THE STRONG finish to last week proved unsustainable by the European bourses yesterday as dwindling buying demand brought a downward drift in prices.

With no fresh sustenance in sight, quiet dealings were dominated by position-squaring among professional operators. Selling pressure was light, though.

A largely technical reaction to Friday's Frankfurt gains left the Commerzbank index 3.5 down at 982.3 and its FAZ counterpart off 1.59 at 338.66 at their mid-session calculations.

Marked setbacks were to be found among the vehicle makers, which had been beneficiaries of last week's resurgence. Daimler Benz at DM 551 lost half of Friday's DM 12 gain, while Porsche shed DM 4.50 to DM 979.50.

Banks showed Deutsche down DM 4.70 to DM 337.30 but Dresdner a sharper DM 5 lower at DM 153.50. Horten suffered worst among the retailers, losing DM 11 to DM 170 while Kaufhof eased just DM 2 to DM 217.

Chemicals were better supported than most but still showed falls of DM 6.80 for

Some incentive-backed issues were bought in thin trading. Toyo Soda, which is expanding its biotechnology division, advanced Y10 to Y385. It was the volume leader of the day, with 13.41m shares changing hands. Toyo Soda's rise also helped push up other biotechnology-related stocks, and Godo Shusei and Morinaga Milk edged up Y2 to Y706 and Y1 to Y472 respectively. Morinaga, however, dropped Y15 to Y555.

Non-life insurance issues firmed on purchases by non-residents and individual investors. Tokio Marine and Fire gained Y10 to Y610, and Taisho Marine and Fire Y10 to Y315. Sumitomo Marine and Fire jumped Y28 to Y435.

Buying by leading securities houses boosted some blue chips. Toshiba finished at Y411, up Y15, on volume totaling 4.53m shares, the second largest for the day. Hitachi and Casio added Y10 each to Y885 and Y1,440 respectively. Matsushita Electric Industrial rose Y20 to Y1,700.

Also in the plus column were robot manufacturers. Nachi Fujikoshi gained Y15 to Y443, Yaskawa Electric Y17 to Y474 and Fanuc Y50 to Y9,000.

The yen's plunge in Tokyo dampened transactions on the bond market. Leading brokers said the market could hardly have been quieter if it had closed for the summer vacation. The yield on the benchmark 7.5 per cent government bonds maturing in January 1993 rose from 7.235 per cent to 7.265 per cent.

EUROPE

Activity at a low ebb

TRADING was extremely slow in Tokyo yesterday, reflecting summer holidays at many corporations and an uncertain trend on Wall Street, writes Shigeo Nishitaki of Jiji Press.

The Nikkei-Dow market average added 13.69 to 10,389.82 on volume of 185.84m shares - the lowest since May 28 - compared with Friday's 248.12m. Gains outnumbered losses 344 to 285, with 182 issues unchanged.

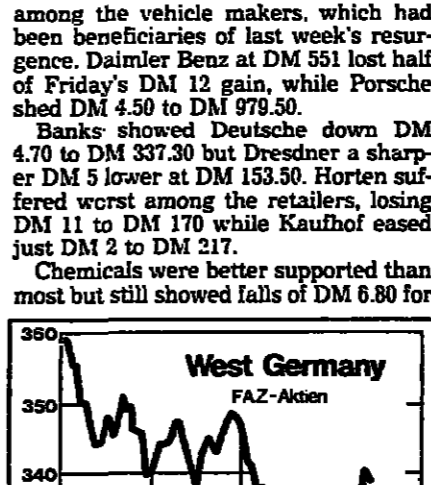
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Schering at DM 346.20 ahead of its results, and DM 2.50 for Hoechst at DM 168.50.

Public authority bonds dipped as much as 1/2 point, and the Bundesbank had to buy DM 22.8m in paper.

A weaker Amsterdam had Akzo as a focus of activity as the chemicals group posted a profits advance. Analysts said the results had already been discounted, and profit-taking pulled it FI 5.50 lower to FI 91 after FI 89.

Late trading was weakest of all, with declines ranging from FI 8 in ABN at FI 312.50 to a sharp FI 4.50 for Hoogovens at FI 50.70. Against the trend, Océ-Van der Grinten picked up a guilder to FI 242.

Domestic bonds eased an average 20 basis points.

News of base rate cuts and gross domestic product figures came too late to affect Paris, which ended a quiet day mixed to lower, although some opening losses were pared later.

Vehicle-related issues continued to react to poor sales by the industry. Peugeot fell FFr 5.60 to FFr 190.50, and Michelin FFr 15 to FFr 769.

Au Printemps, later releasing improved turnover figures, curtailed its loss to 80 centimes at FFr 139.20.

Fiat and Olivetti defied an easier Milan trend to achieve respective advances of L81 at L4,390 and L30 at L6,010, a record high for the electronics group. Bonds were quietly mixed.

Dull Zurich dealings were enlivened largely by demand for Sandoz, taking it SwFr 100 higher to SwFr 7,150 in an otherwise weaker chemicals sector. Banks were steady, as were domestic bonds.

EUROPE

Optimism on rates takes a back seat

INTEREST RATE optimism in London was replaced by concern over Wall Street's bout of caution, and equities thus traded in lacklustre fashion. Lower lending rates were still expected, but operators stressed that cheaper borrowing depended on exchange rate stability.

Gilts opened lower and soon began a tentative recovery with longs almost regaining losses of 1/2 before easing again later on cheaper U.S. bond prices. Other maturities performed similarly.

Trade in blue-chip industrials was infrequent and selective although Jaguar attracted good two-way business. Chubb moved 1 1/2p higher to 289p, and Wedgwood the same amount to 171p.

Insurers saw General Accident 7p off at 453p and Royal 5p cheaper at 426.39p. In stores, Hephworth retreated 1 1/2p to 382p, and Marks & Spencer was 5p weaker at 114p. NatWest Bank slipped 8p to 635p ex-dividend.

The FT Industrial Ordinary index closed 5.8 down at 840.5, but this was seen as a minor reaction in view of the previous account's sharp rise of almost 70 points.

Chief price changes, Page 23; Details, Page 23; Share information service, Pages 24-25

RECURRING doubts over the strength of the Hong Kong market were eventually set to one side as the Hang Seng index rallied to end 0.89 up at 926.39 after being 8.45 off during the morning.

Jardine Matheson gained 25 cents to HK\$8.15 while Hutchison Whampoa added 10 cents to HK\$11. Among those to finish unchanged were Hang Seng at HK\$32.50 in mixed banks and Swire Pacific at HK\$17.30 in firmer properties.

AS INVESTORS waited for a lead from Wall Street, Sydney shares eased in light trading with a 4.7 dip in the All Ordinaries index to 734.0.

Industrials issues were hard hit in the technical reaction although some stability was evident in mining and resource stocks. BHP was 10 cents off at AS10.80, Western Mining was unchanged at AS3.58 and Santos was 2 cents easier at AS6.22.

Herald and Weekly Times put on 5 cents to AS3.75 in a mixed media sector.

SOUTH AFRICA

AMID a possible miners' strike, an easier tone developed among Johannesburg gold stocks although the bullion price remained relatively stable.

Buffels was unchanged at R75, and Driefontein slipped 25 cents to R48.50 while in mining financials Anglo American added 40 cents to R23.

Industrial leader Barlow Rand extended recent weakness with a further 5-cent drop to R11.50 although South African Breweries was steady at R6.40.

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Prices at 3pm, August 13

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month	Stock	Div. Yld	P/E	52 Wk High	52 Wk Low	12 Month	Stock	Div. Yld	P/E	52 Wk High	52 Wk Low	12 Month	Stock	Div. Yld	P/E	52 Wk High	52 Wk Low	12 Month	Stock	Div. Yld	P/E	52 Wk High	52 Wk Low	
134	AAR	2.10	12.2	13	10	28	28	2.10	12.2	13	10	28	28	2.10	12.2	13	10	28	28	2.10	12.2	13	10	28
135	AAC	0.50	11.0	12	9	27	27	0.50	11.0	12	9	27	27	0.50	11.0	12	9	27	27	0.50	11.0	12	9	27
136	AAD	0.40	10.5	11	8	26	26	0.40	10.5	11	8	26	26	0.40	10.5	11	8	26	26	0.40	10.5	11	8	26
137	AAL	0.30	10.0	10	7	25	25	0.30	10.0	10	7	25	25	0.30	10.0	10	7	25	25	0.30	10.0	10	7	25
138	AAM	0.20	9.5	9	6	24	24	0.20	9.5	9	6	24	24	0.20	9.5	9	6	24	24	0.20	9.5	9	6	24
139	AAN	0.10	9.0	8	5	23	23	0.10	9.0	8	5	23	23	0.10	9.0	8	5	23	23	0.10	9.0	8	5	23
140	AAP	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22
141	AAP	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22
142	AAS	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22
143	AAT	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22
144	AAT	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22
145	AAS	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22
146	AAT	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22
147	AAT	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22
148	AAS	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22
149	AAT	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22
150	AAT	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22	22	0.05	8.5	7	4	22

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Continued on Page 21

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AMERICAN STOCK EXCHANGE COMPOSITE PRICES

Prices at 3pm, August 13

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Main table of American stock exchange composite prices, listing various stocks with columns for 12-month high/low, current price, and change.

Continued on Page 22

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table of New York stock exchange composite prices, listing various stocks with columns for 12-month high/low, current price, and change.

Continued on Page 22

Notes and footnotes regarding stock prices, dividends, and market conditions.

WORLD STOCK MARKETS

Table of world stock markets including Austria, Germany, Norway, Australia, and Japan. Columns include country, date, price, and change.

OVER-THE-COUNTER Nasdaq national market, 2.30pm prices

Table of over-the-counter stock prices with columns for stock name, price, and change.

LONDON Chief price changes (in pence unless otherwise indicated)

Table of London stock price changes with columns for stock name and price change.

Table of Canadian stock prices for Toronto, including columns for stock name, price, and change.

NEW YORK Closing prices August 10

Table of New York stock closing prices for August 10.

AMERICAN STOCK EXCHANGE PRICES

Table of American stock exchange prices with columns for stock name, price, and change.

Continued on Page 30

Advertisement for 'New hand-delivery same-day service in COPENHAGEN' with contact information for Ewa Malicka.

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LONDON STOCK EXCHANGE

MARKET REPORT

RECENT ISSUES

Lower interest rate optimism brushed aside by U.S. fears of higher inflation

Account Dealing Dates

*First Declared Last Account Dealing Dates: Day July 30 Aug 5 Aug 10 Aug 20 Aug 25 Aug 30 Aug 31 Sept 10 Sept 15 Sept 20 Sept 25 Sept 30

Interest rate optimism gave way to Wall Street caution and London stock markets traded in lacklustre fashion yesterday. City operators remained confident of lower base lending rates but stressed that a continuation of the trend towards cheaper borrowing depended on exchange rate stability.

Attention centred on Friday's late events in U.S. financial markets. Announcement of a 0.5 per cent rise in the Fed's producer price index for July produced a late sell-off as investors shied from the prospect of higher inflation.

Little selling developed, however, and Gilt soon began a tentative recovery. Despite funding considerations - the authorities issued £750m of Treasury 104 per cent Convertible 1982 late on Friday - longer-dated Gilt almost regained losses of 1/2 before easing again late on Friday.

Equity investors also decided to step back after their recent exertions. The FTSE 100 fell 1.5 points to 2,458.5, while the Industrial Average fell 1.5 points to 2,458.5.

The Banking sector was generally subdued awaiting fresh moves on the interest rate front. The big four bankers were quoted as narrowly avoiding closing a shade easier on balance.

Barclays finished a couple of pence off at 377 1/2, as did Midland, at 377 1/2. Lloyds slipped 1/2 to 428 1/2, while NatWest, ex rights today, shed 8 to 389 1/2.

Discount Houses, firm last week on cheaper money trends, turned easier with Union 13 down 1/2 to 456 1/2 and Allen 5 cheaper to 440. Gerrard and National softened 3 to 317.

Dealings in Mercury Securities and Akroyd and Smithers were suspended soon after the opening at 456 1/2 and 515 1/2 respectively; it is expected that the companies will reveal the formation of a financial merger including stock-brokers Rowe and Fitzmaurice.

Composite Insurances traded quietly awaiting this week's interim statements from General Accident (tomorrow) and Royal Insurance (Thursday). Both companies could disappoint following last week's dismal statement from Commercial Union and nervous offerings clipped 7 from 64, at 483 1/2, amid 5 from Royale, at 466.

After Friday's firm and active market debut, Jaguar attracted another brisk two-way business and touched 181p before easing back to close without alteration at 179p.

A lacklustre and otherwise featureless session in the drinks sector was highlighted by "Martell" cognac which advanced 1/2 to 296p. The stock was supported by a 12p rise in the price of the 12p more to 380p awaiting today's preliminary results.

Leading Buildings turned easier in the absence of fresh interest in Bine Circle slipped 4 to 401p and Tarmac drifted off to close the same amount down at 450p. Redland softened 3 to 27 1/2, while Rugby Portland Cement lost the turn at 115p.

Support for secondary issues also tailed off, but favourable weekend Press comment prompted a couple of firm spots in Bryant Holdings, 3 dearer at 62p, and in Edward Jones, a penny firmer at 25p. John Howland hardened 4 to 29 1/2 and Centrise improved a similar amount to 182p.

After opening lower at 596p, ICI edged forward on small domestic buying to 604p before slipping back again to 592p. Other Chemicals continued to trade firmly. Allied Colloids picked up 4 to 369p and Hilsdon International rose 1/2 to 37 1/2.

Buyers in the metal sector were additionally attracted to Anchor, 3 dearer at a 1984 peak of 160p, and in British Tru Products, a couple of pence firmer at 71p.

Modest falls for Stores Already a few pence cheaper across the board for want of attention, leading Stores reacted ahead following the provisional statement of retail sales for July which disappointed in showing a 1.4 decline on the previous month's index of 112.1. Marks and Spencer shed 5 to 114p with 10p in response to a cautious view from brokers.

FINANCIAL TIMES STOCK INDICES

Table with columns: Index Name, Aug 13, Aug 10, Aug 9, Aug 8, Aug 7, Aug 6, Year Ago. Includes Government Secs, Fixed Interest, Industrial Ord., etc.

HIGHS AND LOWS S.E. ACTIVITY

Table with columns: Index Name, High, Low, S.E. Activity. Includes Govt. Secs, Fixed Int., Ind. Ord., Gold Min.

de Zoete and Bevan Gussies "A" finished 10 lower at 560p, while Habitat Mothercare gave up 6 to 296p. Woolworth continued to attract sizeable speculative attention and weekend Press reports of a imminent offer from Burton; Woolworth eased 5 to 527p but settled only 5 off on balance at 530p, while Burton, which was quick to deny the chatter, eased 2 to 265p.

Secondary Stores lacked a decided trend, although noteworthy features were commonplace. Despite further favourable comment on the "Next" menswear operation, Hephworth succumbed to profit-taking and gave up 1 1/2 at 282p, while other recent favourites to give ground included W. H. Smith "A", 140p, WFL, 132p and Dixons, 111p.

Minority figures, 11 dearer at 42p, rallied smartly following last Friday's late setback on the nine-month figures.

A rather subdued session in the Engineering leaders left quagmire a penny or so lower, but GKN, up 4 at 171p, managed to resist the trend following the appearance of a few buyers.

Occasional support was evident for selected secondary issues. James Neill were noteworthy for a rise of 6 to 68p. ICI put on 3 to 304p awaiting today's interim figures. Interest revived in Baker Perkins up 4 at 138p, following Press mention.

Slight disappointment with July's provisional retail sales prompted a modest mark-down in the major Retailers. Associated Ladies shed 4 to 169p and J. Sainsbury eased a couple of pence to 276p, as did Tesco, 11p in response to the dividend.

Chubb advance afresh Chubb held centre-stage again after last Friday's sharp rise on the bid from Royal and advanced 11 more to 269p on suggestions that other suitors may appear on the scene. Further speculative demand in a different market lifted Kleen-E-Ze 2 to 130p.

while weekend Press mention stimulated fresh support for Wedgwood, 11 to the good at 171p. Others to respond to newspaper comment included Ferguson Industrial, 6 up at 145p, and J. H. Fenner, 5 dearer at 128p. Polly Peck firmed 7 to 210p and Election 21 to 89p following newletter recommendations. Restmore traded firmly at 185p, up 7, awaiting today's preliminary statement. Booker McConnell, in contrast, eased 6 to 176p following rejection of Dee Corporation's proposal to acquire its food retailing business and the subsequent disposal of Dee's 19.9 per cent shareholding in Booker. Apart from BTR, which attracted occasional buying interest and improved 7 to 47p, leading miscellaneous industrials were inclined easier.

Paper/Printings finished a shade firmer for choice. British Printing and Communications, 184, and DRG, 119p, both hardened a couple of pence, while recent speculative high-flyer Delya added a like amount at 150p. Easy, 119p, both hardened a couple of pence, while recent speculative high-flyer Delya added a like amount at 150p.

Interest in Properties was confined to a handful of stocks. Capital and Counties touched a high for the year of 202p prior to closing a penny dearer on balance at 201p. Stock Conversion slipped to 355p initially, but a late speculative shade firmer at 358p. Estate Agents Bedstow Eves firmed 2 to 59p awaiting today's half-trading.

Gains in Investment Trusts ranged into double-figures. Triplet Capital rose 13 to 519p, while City and Commercial Capital advanced 12 to 419p. "Financials", stockholders Smith Brothers were lively and improved 6 more to 99p as investors continued to take heed of recent reports that the company has a stake in takeover target Chubb.

Shell decline Revised concern over the world oil glut and worries about possible weakness in crude oil prices has kept Shell's share price unsettled leading 0.5p.

Shell gave ground throughout the session and settled 13p down at 617p, while Royal Dutch dipped almost a point to 536p and 470p. Investors support encouraged a 4p gain in Barmak, at 184p.

Favorable Press comment gave a major boost to Petroleum, 30p firmer at 489p, while E.ON Securities hardened a couple of pence to 77p following the interim results.

Initial selling pressure came from Johannesburg and persisted throughout the morning but the appearance later of modest "cheap buying interest from the Continent" enabled the majority of issues to close above the day's lowest levels.

The Gold Mines index showed a 13.6 fall at 453.6, while the bullion price closed at \$375.00 at \$244.75.

Among the leading heavyweights President Brand gave up 2 1/2 at 429p, President Stryer fell 1/2 at 433p and Doornfontein lost a half-point at 154p.

EQUITIES

Table of equity prices with columns: Price, Change, Stock Name, etc.

FIXED INTEREST STOCKS

Table of fixed interest stock prices with columns: Price, Change, Stock Name, etc.

NEW HIGHS AND LOWS FOR 1984

Table listing new highs and lows for 1984 with columns: Price, Change, Stock Name, etc.

"RIGHTS" OFFERS

Table of rights offers with columns: Price, Change, Stock Name, etc.

RISES AND FALLS YESTERDAY

Table showing rises and falls yesterday with columns: Stock Name, Change, etc.

ACTIVE STOCKS FRIDAY'S

Table of active stocks on Friday with columns: Stock Name, Change, etc.

OPTIONS

Table of options with columns: Stock Name, Price, Change, etc.

ACTIVE STOCKS

Table of active stocks with columns: Stock Name, Price, Change, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices with columns: Group, Index, Change, etc.

FIXED INTEREST

Table of fixed interest rates with columns: Index, Price, Change, etc.

*1/2% yield. Highs and lows record, base date, units and conventional changes are published in Saturday Issues. A list of constituents is available from the Publishers, the Financial Times, Bankers House, Cannon Street, London, EC4A 3DF, price 15p, by post 20p.

EUROPEAN OPTIONS EXCHANGE

Table of European Options Exchange with columns: Series, Vol, Price, etc.

LONDON TRADED OPTIONS

Table of London Traded Options with columns: Option, Price, Change, etc.

HOTELS - Continued

Table of hotel shares including companies like Holiday Inns, Hilton Hotels, and others, with columns for share price, dividends, and other financial metrics.

FT LONDON SHARE INFORMATION SERVICE

AMERICANS

Table of American stocks such as Abbott Labs, Alcoa, and American Express, listing price, volume, and percentage change.

BEERS, WINES - Cont.

Table of beer and wine stocks including Anheuser-Busch, Heineken, and others.

DRAPERY & STORES - Cont.

Table of drapery and store stocks such as J. & F. S. Elson, J. W. Child, and others.

ENGINEERING - Continued

Table of engineering stocks including Balfour Beatty, British Nuclear Fuels, and others.

WOLSELEY HUGHES logo and text: 'From Truro to Texas we're growing from strength to strength'.

BRITISH FUNDS

Table of British funds including 'Shorts' (lives up to five years) and 'Five to Fifteen Years' categories.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building industry, timber, and road stocks such as James Watt, J. D. Widdowson, and others.

ELECTRICALS

Table of electrical stocks including A. B. Electronics, A. & B. Electronics, and others.

CANADIANS

Table of Canadian stocks such as Alcan, Bell Canada, and others.

BANKS, HP & LEASING

Table of bank, HP, and leasing stocks including Bank of Montreal, Bank of Toronto, and others.

CHEMICALS, PLASTICS

Table of chemical and plastic stocks such as ICI, Imperial Chemicals, and others.

FOOD, GROCERIES, ETC

Table of food and grocery stocks including Anglo Siam, Borden's, and others.

INT. BANK AND OSEAS GOVT STERLING ISSUES

Table of international bank and overseas government sterling issues.

CORPORATION LOANS

Table of corporation loans including various bank and financial institution offerings.

COMMONWEALTH AND AFRICAN LOANS

Table of commonwealth and African loans.

LOANS

Table of various loans including building societies and public board and ind. loans.

FOREIGN BONDS & RAILS

Table of foreign bonds and rail stocks.

BANKS, HP & LEASING

Table of bank, HP, and leasing stocks including Bank of Montreal, Bank of Toronto, and others.

CHEMICALS, PLASTICS

Table of chemical and plastic stocks such as ICI, Imperial Chemicals, and others.

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Table of drapery and store stocks such as J. & F. S. Elson, J. W. Child, and others.

ENGINEERING

Table of engineering stocks including Balfour Beatty, British Nuclear Fuels, and others.

HOTELS AND CATERERS

Table of hotel and caterer stocks including Holiday Inns, Hilton Hotels, and others.

WOLSELEY HUGHES logo and text at the bottom of the page.

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

LEISURE—Continued

Table of leisure stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

PROPERTY—Continued

Table of property stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

OIL AND GAS—Continued

Table of oil and gas stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

MINES—Continued

Table of mining stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

INSURANCE

Table of insurance stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

Commercial Vehicles

Table of commercial vehicle stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

Garages and Distributors

Table of garage and distributor stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

SHIPPING

Table of shipping stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

SHOES AND LEATHER

Table of shoe and leather stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

SOUTH AFRICANS

Table of South African stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

PAPER, PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

PROPERTY

Table of property stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

TOBACCO

Table of tobacco stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

FINANCE, LAND, etc

Table of finance, land, and other stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

OIL AND GAS

Table of oil and gas stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including British Airways, British Telecom, and various manufacturing firms. Columns include stock name, price, and percentage change.

NOMURA INTERNATIONAL LIMITED NEW-ERA INVESTMENT AND UNDERWRITING OFFICES WORLDWIDE 1 Gresham Street EC2V 6AD Telephone (01) 281 8811

MINES—Continued Central African

Mines—Continued Australians

Mines—Continued Tins

Mines—Continued Miscellaneous

Mines—Continued Overseas Traders

Mines—Continued Plantations

Mines—Continued Finance, Land, etc

Mines—Continued O.F.S.

Mines—Continued Regional & Irish Stocks

Mines—Continued Options—3-month call rates

Mines—Continued Recent Issues and Rights

Mines—Continued Notes

Mines—Continued Eastern Rand

Mines—Continued Far West Rand

Mines—Continued O.F.S.

Mines—Continued Finance

Mines—Continued OIL AND GAS

Mines—Continued DIAMOND AND PLATINUM

Mines—Continued Recent Issues and Rights

26 AUTHORIZED UNIT TRUSTS

Table listing various authorized unit trusts such as Abbey Unit Trust, British Columbia, and others, with columns for name, value, and change.

Table listing unit trusts under the heading 'FT UNIT TRUST INFORMATION SERVICE', including British Columbia, Abbey Unit Trust, and many others.

FT UNIT TRUST INFORMATION SERVICE

Main table of unit trusts with columns for name, value, and change. Includes sections for 'Key Fund Managers Ltd.', 'Perpetual Unit Trust Mgmt.', and 'Trustee Unit Trust Mgmt.'.

Table listing various insurance and financial services, including 'City of Westminster Assurance', 'General Portfolio Life Ass. P.L.C.', and 'Hartley & Co. Ltd.'.

F.T. CROSSWORD PUZZLE No. 5491

- ACROSS
1 Not so high praise (7)
2 Cursed, having split the salt in bed (7)
3 Bring up a matter of higher wages (5)
4 Reconciliation officer who works behind the scenes? (4,3)
5 Rest is upset about money order in the accounts department (9)
6 Loin-cloth that makes a number very warm I conclude (5)
7 In depressed areas love conquers all (5)
8 Ninety-ton order, yet one of no account (8)
9 Is able to do without a river craft (9)
10 Display of no interest? (5)
11 More than one ghost writer? (5)
12 Long-player may provide a snappy ending (9)
13 Retired permanently on grounds of ill health (9)
14 Devil doctor in his study (5)
15 Steps in crooked side streets (7)
16 A quick reply showing wit or spite perhaps (7)
DOWN
1 Dread going round globe and therefore don't (7)
2 Spirit to woo meant victory for Henry (9)
3 Subject those people to the ultimate in abuse (5)
4 The odd messenger will try to add duty to (3,6)
5 Break must be arranged for one who works in a hot place (5)

Crossword puzzle grid with numbers 1-28 indicating starting positions for the clues.

Plenty will make this call at the card-table (9)
24 Finish with one's tail in the air (3,2)
Solution to puzzle No. 5490

Handwritten solution to the crossword puzzle, showing the filled-in grid with letters.

Table listing various insurance and financial services, including 'Hartley & Co. Ltd.', 'Hartley & Co. Ltd.', and 'Hartley & Co. Ltd.'.

INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and financial products including Life Assurance Co. Ltd, Overseas Life Assurance Co. Ltd, and various investment funds.

Table of insurance and financial products including Saver & Prosper Group, Overseas Life Assurance Co. Ltd, and various investment funds.

Table of insurance and financial products including Capital Investment (UK) Ltd, Overseas Life Assurance Co. Ltd, and various investment funds.

Table of insurance and financial products including Money Market, Trust Funds, Money Market Bank Accounts, and various investment funds.

OFFSHORE AND OVERSEAS

Table of offshore and overseas financial products including various international investment funds and insurance policies.

Money Market Trust Funds

Table of money market trust funds including various investment options and performance metrics.

Money Market Bank Accounts

Table of money market bank accounts including various financial institutions and account types.

NOTES

Notes section containing additional information and disclaimers regarding the financial products listed.

COMMODITIES AND AGRICULTURE

Canadian wheat crop 'likely to be much lower'

By Bernard Simon in Toronto
CANADA'S wheat crop is expected to drop substantially this year following a spell of unusually dry weather in the southern prairies.

Although the first official crop estimate is not due until September 7, a government crop forecaster said that a "below average" harvest is likely.

United Grain Growers, a farmers co-operative, forecast earlier this month that the crop in western Canada, where 85 per cent of the country's wheat is grown, will be 18.5m tons this year, 28 per cent lower than 1983.

Canada accounts for 5.5 per cent of world wheat production and about a fifth of global exports. Plantings in 1984 are about 3 per cent below 1983 acreage.

The United Grain Growers' estimates were based on conditions at the end of July. The cooperative also forecast significant drops in barley production but a higher rapeseed crop.

It said that crop losses will cut prairie farmers' incomes by at least \$1.5bn (£0.9bn). The latest estimates are more than 15 per cent below earlier forecasts based on conditions in mid-July.

Harvesting normally starts before the end of August. Cool weather and scattered showers experienced in the past weeks will limit the damage.

The areas which have suffered most from the recent drought include southern Alberta, southern Saskatchewan and south-east Manitoba, particularly the strip south of the Trans-Canada highway.

On the other hand, the Yorkton area of Saskatchewan and farms north of Winnipeg are expected to produce high yields.

Soyabean futures rise in Chicago in wake of U.S. crop report

By Nancy Dunne in Washington

SOYABEAN futures staged an early rise on the Chicago Board of Trade yesterday in the wake of the Department of Agriculture crop production report which on Friday estimated less acres planted than had been expected.

Hot, dry weather since August 1, when the estimates were made, should further reduce soybean output, analysts said. The USDA forecast soybean production at 2.04bn bushels, 30 per cent more than last year but 7 per cent below 1982.

The department also predicted a bumper maize crop of 7.87bn bushels, the fourth largest in U.S. history. The USDA apparently concluded that flooding in the mid-West last month would trim only a modest amount from the new crop.

Part of the bearish price impact has been offset by the heavy purchases of maize by the Soviet Union, where crops are believed to have deteriorated. In another report, the department cut its previous estimate of the 1984 grain crop from 190m tonnes to 180m.

In spite of the USDA and Congressional efforts to limit wheat production by paying farmers not to plant some of their acreage, the U.S. wheat crop was estimated at 2.53bn bushels, the largest crop in its history and 4 per cent higher than last year.

In Peking, meanwhile, Mr Cui Naifu, China's Minister of Civil Affairs, said forecasts of a record 1984 Chinese harvest held good, although floods over the next three weeks in the Yellow River and Liao River valleys, where the rainy season is reaching its peak, could

possibly over-turn the prediction, reports Reuters. The drought in north China, which hit 8.2m hectares, was eased by rains in May and June but farmers still face grave problems in Hunan, Guizhou, Hebei, Shaanxi and Liaoning Provinces, Cui said in an interview in the China Daily.

Yet China still had a record summer maize harvest, mainly winter wheat, of 85.5m tonnes. Floods struck 4.2m hectares in the Yangtze River provinces and in Henan and Guangdong, mainly rice areas, he said. Difficulties have not been as serious as last year when severe rains hit the Yangtze valley, Cui said.

Last year China harvested 387.28m tonnes of grain, 4.64m tonnes of cotton, 105.5m tonnes of oilseeds, and 40.32m tonnes of all sugar-bearing crops.

World price of sugar declines further

By Andrew Gowers

THE COMPLEX machinery set up by the UK Government to implement controversial EEC milk production quotas moves into higher gear this week.

Thirty-seven local panels throughout England and Wales will start ploughing their way through what are expected to be thousands of dairy farmers' claims for special treatment under the quota regime. They are expected to make provisional rulings on the claims by the end of September, ahead of the final allocation of quotas by Mr Michael Jopling, Minister of Agriculture.

Ministry officials hope that the whole process, which culminates in the imposition of a fine (super-levy) on excess producers, can be completed for this quarter (up to the end of September) by November. Quota levels fixed in this round will be used as a starting-point for future quarters.

Under the new EEC regime, which took effect in April, British milk production must be cut overall by 64 per cent from the country's total output. The aim of the measure, which has provoked howls of protest from dairy farmers, is to bring the EEC surplus under control and cut disposal costs.

Leading trade unionists and MPs opposing the EEC cuts in depressed by unusual events such as disease or disaster, in which case an alternative base-year can be used to calculate his quota, or if a producer made or planned an investment before last March with a view to boosting output.

The Kaiser and Reynolds companies are the other partners in the plant, which accounts for a third of Jamaica's refining capacity. The three have just spent \$120m (£92m) building a nine-mile cable belt to bring higher grade ores to the refinery.

Industry sources have suggested that the Jamaican Government might have to buy up Atlantic Richfield's partnership if there was a threat of the plant being closed.

Finishing touches for milk quotas

By Andrew Gowers

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Restrictions on cattle movement

By Andrew Gowers

RESTRICTIONS on cattle movements in five areas of England and Wales will be enforced from October 7 until November in an attempt to control an outbreak of foot-and-mouth disease.

The infected areas are: the Isle of Anglesey; the Lleyn Peninsula in Gwynedd; East Cornwall and parts of Devon; Dorset (excluding the south-east of the county) and adjoining parts of Somerset; and north Somerset and parts of Avon.

All cattle within the areas will have to be treated with a vaccine against the disease.

Lead fails to respond to stocks fall

By John Edwards, Commodities Editor

LEAD prices failed to respond yesterday on the London Metal Exchange to news of a sharp fall in warehouse stocks last week.

The decline of 8,225 tonnes reduced the total to 210,000, the lowest level since January 1982, but the cash lead price closed \$3.5 lower at \$392.75 a tonne, continuing last year's downward trend.

Traders said that the stocks fall was in line with market forecasts and, therefore, had only a limited, brief, impact. The decline in copper stocks was also in line with market expectations and was in fact viewed as disappointing by some traders who had been predicting a bigger fall in holdings.

In quiet trading conditions higher-grade cash copper lost \$9.50 to \$1,015 a tonne, with speculative buying interest at a low ebb. However, the cash price of standard-grade cathodes fell by only \$2.50 to \$1,024.5 a tonne, maintaining the unusual situation of the lower-quality copper being at a premium price to higher-quality grades.

Stocks in London Metal Exchange warehouses

Table with columns: Commodity, Quantity, Price. Includes Aluminium, Copper, Nickel, Tin, Zinc, Silver.

Jamaican bauxite refinery reopens after 10 weeks

By Canute James in Kingston

JAMAICA'S largest bauxite refinery has reopened after its owners closed it for 10 weeks following a strike threat from trade unions.

The future of the plant is uncertain, however, following the decision of one of its three U.S. owners to sell its share.

Jamaican industry is assessing the likely effects on the operations of the 1.2m tonnes per year refinery of the decision by Atlantic Richfield of the U.S., which has a 27 per cent share in the facility.

PRICE CHANGES

Table showing price changes for various commodities like Tin, Lead, Zinc, etc.

BRITISH COMMODITY PRICES

Table showing British commodity prices for Base Metals, Silver, Tin, Zinc, etc.

AMERICAN MARKETS

Table showing American market prices for New York, Chicago, etc.

LONDON OIL

Table showing London oil prices for Arabian Light, Dubai, etc.

GAS OIL FUTURES

Table showing gas oil futures prices for various months.

GOLD MARKETS

Table showing gold market prices for various types of gold.

LONDON FUTURES

Table showing London futures prices for various commodities.

EUROPEAN MARKETS

Table showing European market prices for various commodities.

COFFEE

Table showing coffee prices for various types and origins.

GRAINS

Table showing grain prices for wheat, barley, etc.

ALUMINIUM

Table showing aluminium prices for various grades.

INDICES

Table showing various financial indices.

MEAT/FISH

Table showing meat and fish prices.

SUGAR

Table showing sugar prices for various types.

WHEAT

Table showing wheat prices for various grades.

NEW YORK

Table showing New York market prices.

CHICAGO

Table showing Chicago market prices.

SOYABEANS

Table showing soyabean prices.

WHEAT

Table showing wheat prices.

